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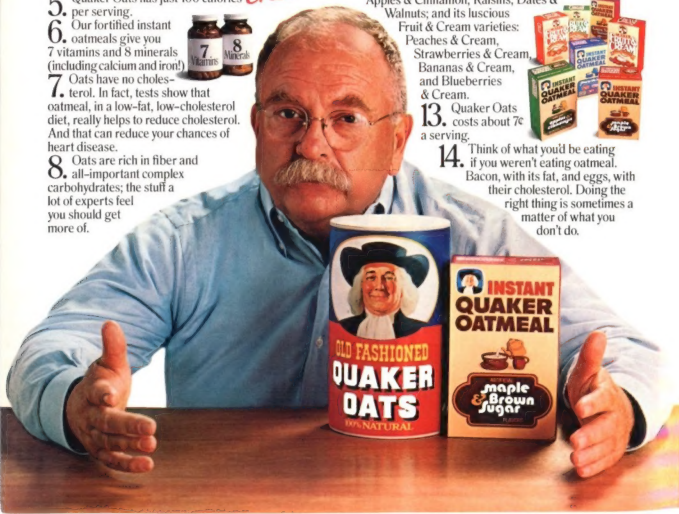


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COVER: America is a country for sale as foreigners rush in to buy, buy, buy

Flush with cash and encouraged by the falling dollar, investors from overseas are snapping up skyscrapers and shopping malls, corporations and forest land, refineries and casinos. Already, Manhattan's landmark Tiffany building is Japanese, Brooks Brothers is Canadian, and Sohio is in British hands. Is foreign ownership a danger? See **ECONOMY & BUSINESS**.

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NATION: The candidates leap from the starting gate in search of cutting themes

Five months before the Iowa caucuses, the campaign remains eerily formless and wide open. A **TIME** poll finds that many Democrats express doubts about the party's candidates, while George Bush has regained lost ground among Republicans. ▶ Ultra-conservatives pummel the President. ▶ In Pennsylvania, a controversial search for a rape suspect touches off a civil rights flap.

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WORLD: Pressure for peace builds in the Persian Gulf as the tanker war resumes

United Nations Secretary-General Pérez de Cuéllar prepares to lead new talks after attacks by Iraq and Iran leave the waterway littered with damaged ships. ▶ In the Philippines, the aborted coup attempt uncovers a deep vein of dissatisfaction in the military. ▶ A Soviet court sentences the young West German pilot who landed outside Red Square to four years in the Gulag.

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66 Religion

Pope John Paul's unprecedented meeting with Jewish leaders. ▶ Orthodox's Ecumenical Patriarch on a mission to Moscow.

69 Medicine

The FDA approves a new anticholesterol drug called lovastatin. ▶ Researchers report that a hormone beefs up the immune system.

70 Health & Fitness

Cosmetic surgery has become a popular operation for sagging baby boomers (men and women) who can afford the bill.

77 Cinema

Director John Sayles turns a 1920 miners' strike into the low-budget epic *Matewan*. ▶ Shorts: *Dirty Dancing* and *Mermaids*.

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78 Books

In his memoirs, former Speaker Tip O'Neill speaks his mind about politics and Presidents. ▶ *Outlaws* is George V. Higgins at his best.

85 Music

He's back and he's *Bad!* Five years after the release of *Thriller*, Michael Jackson unleashes another megahit album.

86 Theater

How do road shows of Broadway hits compare with the originals? For performance pizzazz, many are as good or even better.

88 Ethics

New York City's plans for involuntary hospitalization of the homeless mentally ill provoke some morally perplexing questions.

Cover:
Illustration by
Michael Doret

A Letter from the Publisher

TIME Senior Writer Walter Shapiro, who wrote this week's Nation story on the 1988 presidential campaign, brings more than a soupçon of seasoning to his duties as a political observer. Indeed, as a graduate student in history at the University of Michigan in 1972, Shapiro made up his mind to run for Congress himself. "I grew up reading that anyone could do it," Shapiro recalls. "So I decided to test what it would be like to run as someone who had a three-speed bike instead of a Volvo." He campaigned daily for six months, wearing out his only suit, and finished a close second in a primary field of six. The loss only whetted his appetite for the quadrennial U.S. political rites.

Once again in 1976 he hit the campaign trail, joining the Carter camp as a speech writer. Shapiro signed on as press secretary to Secretary of Labor Ray Marshall in the new Administration and eventually became a presidential speech writer. Since he left Government in 1979, however, Shapiro has confined his political activity to voting. "When you see Government from the other side," he says, "you get a sense of why it is wonderful to do it once in your life. Doing it twice becomes a horribly bad habit."

Not so with watching political battles. The 1988 presidential

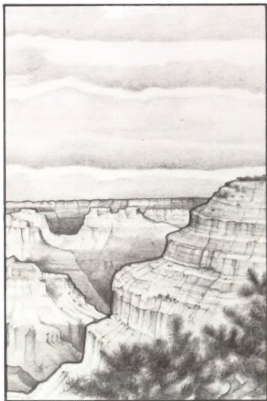


Irreverent observer: Senior Writer Walter Shapiro

campaign is Shapiro's third as a journalist. He wrote about politics for the Washington Post from 1979 to 1983, covered the presidential jockeying for Newsweek from 1983 until 1986 and now does so for TIME, which he joined last March. Shapiro enjoys observing the aspirants and savors the unexpected, such as Gary Hart's departure from the race. "That's the wonderful thing about politics," says Shapiro. "You never know."

National Political Correspondent Laurence I. Barrett, who analyzed the findings of this week's TIME poll on the candidates, crossed paths with Shapiro in Houston during the Democratic candidates' debate there in July. This early in the campaign, however, Shapiro and Barrett prefer to complement rather than duplicate each other's work. Being on the hustings always satisfies both the journalist and the graduate student in Shapiro. "It's a great opportunity to write about grand themes and also to be a bit irreverent," he says. "After all, if you can't be irreverent about the people running for office, whom can you be irreverent about?"

Robert L. Miller

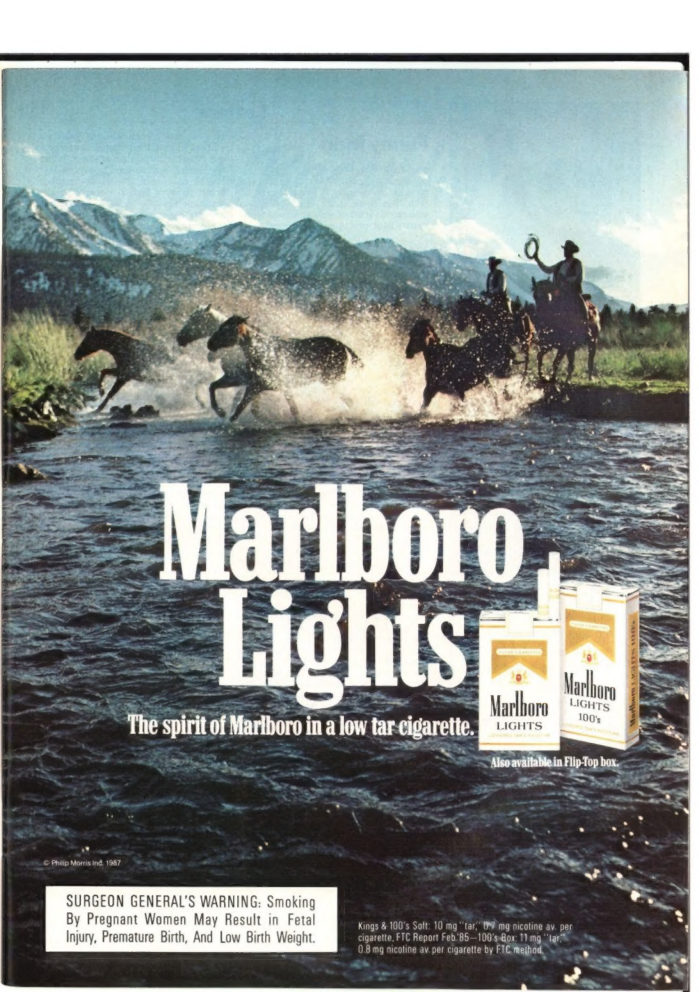


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Letters

Funny Man

To the Editors:

Some comedians can act, others can do stand-up comedy, a few can even do both. But there is no other comedian who can do it all as well as Steve Martin [SHOW BUSINESS, Aug. 24].

Mark Masapollo
Taunton, Mass.



I just saw Steve Martin in *Roxanne* and loved him. The warmth and sadness in his performance made him a comedian on the order of Charlie Chaplin and the original Cyrano.

K. Pardue Newton
San Antonio

The current network of comedy clubs is today's version of what New York City's 52nd Street used to be: where agents caught the acts, and the "big names" like Milton Berle, Jackie Gleason, Henny Youngman and Slapsey Maxey Rosenbloom would do their shuck whenever they were in town. I was a talent scout then, and I remember that the small clubs had great comedians. After their acts, the comedians would congregate at a local cafeteria, where they would perform for one another, stealing one another's best lines.

Ethel ("Ertie") MacKay
Laconia, N.H.

In the late '70s we experienced an evening of Steve Martin in the best possible setting, a small nightclub. We laughed till our faces hurt and for \$5 saw a show exactly like the one you describe. At the conclusion of his act, Steve, with an arrow and balloons on his head and wearing a fake nose and glasses, led the audience outside, where he did 15 more minutes in the parking lot.

Bob and Kathy Stutz
Onamia, Minn.

Ghetto Life

If I were a black person reading your report on America's ghettos [NATION, Aug. 24], I would be enraged. To

picture these communities as you have, without linking their dismal existence to our brutal, brainless government, is racist. Having worked for 22 years in Harlem, I have seen life in its neighborhoods go from bad to worse. The city, the churches, the schools, the federal and state governments go about their business and let the ghetto communities decline. The problem is that our politicians are more worried about what occurs in the Persian Gulf and in Central America than what is happening to the oppressed in our land.

Ned O'Gorman, Headmaster
The Children's Storefront
New York City

As an educator working in the inner-city schools, I remember not so long ago when high schools in ghetto areas were known as "working schools," where students had a shortened instructional day in order to go to their jobs as trainees in local factories. Unfortunately, those plants have closed, and many have moved elsewhere, into areas with nonunion and cheaper labor. Why, I ask, does no one place responsibility for the present mess on the business community? Surely patriotism means giving our children the chance to be employed and self-sufficient. Where does this notion fit into the social agenda of the New Right, whose advocates espouse traditional family values, honest hard work and religious integrity? To my mind, nowhere.

David H. Herman
Philadelphia

Minnie Wolf, the beleaguered and bewildered mother of 13 children, described in your story, says, "I don't exactly know when, but somehow we lost control over the kids." She lost control in 1953, when she went ahead and began giving birth to ten more children for whom she and her husband apparently did not have the financial or emotional resources to provide.

Arlene Brachman
Milwaukee

I am a policeman in south central Los Angeles, and your story on Convicted Murderer Michael Hagan reminded me of an incident that occurred about a year ago. My partner and I had arrested a woman for possession of cocaine and were preparing to drive her to the police station when a group of young boys approached our car. They asked why we were taking the woman away, and I showed them the bag of cocaine. Instead of acting surprised, these youngsters, who were no more than twelve years old, became angry that we were arresting the woman for such a minor offense. They spat on the car, and one of them threw an empty wine bottle at us as we drove away. What will prevent any of them from becoming just like Michael Hagan?

Daniel Horan
Los Angeles

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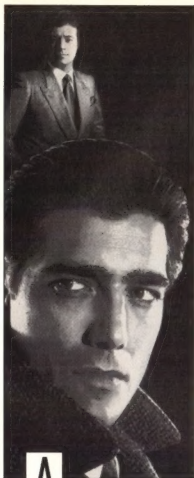


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WISEGUY

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Letters

Judging Iran

Your story "Iran vs. the World" [WORLD, Aug. 17] ignores the major cause of the present crazy situation in that country, namely that the U.S. has historically conspired to deny the Iranian people the right to choose their rulers. The popular government of Mohammed Mossadegh was overthrown in a CIA-sponsored coup, and Mohammed Reza Pahlavi, one of history's most hated and vicious tyrants, was reinstated as Shah. Inevitably, he had to flee and could not find a country that would take him in until Anwar Sadat gave him refuge in Egypt. Is it any wonder the U.S. has earned the contempt of the Iranian people? President Reagan has forgotten the lessons not only of history but also the Bible, which he is fond of quoting: As ye sow, so shall ye reap.

Sarah Kumar
Parnuputiya, Sri Lanka

The latest Iranian conspiracy near the Grand Mosque in Mecca is further proof that the Khomeini government is barbaric, backward and uncivilized. Worse, this outlaw regime continues to justify its actions in the name of Islam, a religion of peace and friendship.

Mohammed A. Al-Odadi
Abha, Saudi Arabia

I was surprised that you kept insulting your Arab readers by referring to the gulf as "Persian" instead of "Arabian." The Greeks, led by Alexander the Great, called those waters Persian because they were battling the Persian empire, and no other nation of importance existed in the area at that time. It is now 1987, and the gulf borders eight nations, seven of them Arab. It is time you began to refer to it as the Arabian Gulf.

My second point has to do with your depiction of Imam Ali. I was shocked that you would reproduce this painting since, for Muslims, it is sacrilegious to paint or depict any holy person.

Mohammed Busheri
Manama, Bahrain

Woodcutter's Trade

The wonderful story about Ray Tune, the Missouri woodcutter [AMERICAN SCENE, Aug. 24], forced me to rethink my own employment. I have always felt I had to commute a long distance, work hard and did not make as much money as I should. Then I read your article and learned what hard work, long hours and low wages really were. Tune represents the spirit this country was built on and much of what it has lost.

Brenda Attridge
Manchester, Mass.

I am aghast. I have spent more money for a year's subscription to TIME than Ray Tune makes after a hard day's work lifting 12,400 lbs. of wood. He works at doing

all this so affluent Americans can buy a \$3.79 bag of charcoal that provides an inefficient alternative to cooking on the stove. Shame on us, America!

Deborah Nallos
Hamburg, N.Y.

Tune is the true heartbeat of America. If only we could clone him.

Don W. Orr
Phoenix

In your report on Woodcutter Tune you say, "He cut several trees quickly and efficiently, not bothering with the notches a lesser woodcutter would have to use to direct their fall." This statement is equivalent to saying he did not bother to wear the seat belt a lesser driver would need. The point of making notches before cutting is not just to direct the fall of a tree, but to direct it safely.

Daniel Leduc
Monticello, Ark.

Spoken like a Statesman

In the story on the agreement to end the civil war in Sri Lanka [WORLD, Aug. 10], you quote that country's President, Junius R. Jayewardene, 80, as admitting he lacked courage, intelligence and foresight in not settling the Tamil conflict earlier. Only a man with the maturity and wisdom of Jayewardene could admit such mistakes. The peace we now have in our country began the day the accord was signed; it speaks volumes for Jayewardene's statesmanship.

Godfrey Susantha Perera
Panadura, Sri Lanka

Filling Empty Heads

In your story on Allan Bloom's book *The Closing of the American Mind* and E.D. Hirsch Jr.'s *Cultural Literacy* [EDUCATION, Aug. 17], you quote me as saying, "Too many schools ignore the great minds and instead try to teach kids how to make a living." My point is more complicated than that. Colleges and universities should do both. Students should study great minds, but they should also develop the skills, habits and knowledge necessary for making a living. These two objectives are complementary, not mutually exclusive. I have always believed a man should not only be good, he should be good for something.

William J. Bennett
Secretary of Education
Washington

Who Should Have Babies?

The warning by Demographic Analyst Ben Wattenberg that Western nations are not producing babies fast enough [ETHICS, Aug. 24] fails to consider the danger of overpopulation. If the world's population continues to grow at its present pace, we may find it more and more



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Letters

difficult to feed ourselves in a few generations. The survival of Western values requires not a higher birthrate in the West but a lower birthrate in the Third World. If the West is to encourage other people to check their population growth, it must set a good example.

Jeffrey R. Weeks
Ithaca, N.Y.

Perhaps Wattenberg, who is so concerned about the "birth dearth" in the West, should consider the fact that world-wide population, which reached a perilous 5 billion last July, is now soaring to twice that figure in the early part of the next century. The problem of preserving Western culture is insignificant when one considers the current predicament of the human race.

Phil Ray
Palo Alto, Calif.

Wattenberg's jeremiad is narrowly conceived. If the West declines—as it probably will, along with Third World nations—it will be because man has used up the energy sources, polluted the waters, poisoned the earth and overpopulated the planet. If the West follows Wattenberg's advice to increase its numbers, the decline will accelerate and will not, as Wattenberg suggests, be reversed.

Robert D. Robinson
Lima, Ohio

Help Thy Neighbor

Your article describing the novel charity whereby workers donate sick leave to fellow employees hit home with me [*ECONOMY & BUSINESS*, Aug. 17]. In January I underwent surgery; in February my sick leave ran out. My co-workers at the high school in Carrollton, Texas, donated more than 80 days of sick leave to see me through the term.

Harry Cutler
Farmers Branch, Texas

Donating sick leave to a fellow worker is not such a novel idea. The Lakeland school district in Shrub Oak, N.Y., has had a "sick bank" for its teachers since 1974 and has helped many seriously ill employees who have exhausted their own personal sick days.

Carol Milove
Mahopac, N.Y.

In 1980, as county commissioner of Luzerne County, Pa., I offered a sick-day bank to our county union. That proposal is still part of the contract; it has saved many people the loss of income or a job.

Edward A. Brominski
Swyersville, Pa.

LETTERS TO THE EDITOR should be addressed to **TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020**, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.

American Scene

In California: Being 25 and Following Your Bliss

Below, far below, is the ceaseless crash and sighing of the sea. Behind, tall redwoods climbing up the mountainside. Off to one side, hot mineral baths laid down on ground once sacred to the local Indians. And out in the distance, along the blue horizons, the spouting of a distant whale. There, on a sunlit lawn high above the sea, a score of visitors assemble at first light. Retired schoolteachers, lay thera-

peutists, dentists from Ohio—all move their limbs slowly, to the sound of a flute, through the Tai Chi motions of fire, water and gold.



At play on the cliffs of Esalen: still hazy after all these years

Later, after night has fallen, a naked lady lies back in one of the clifftop hot tubs. The darkness is lighted by candles, the stillness scented with incense. Beside her, a photographer and a chef from San Francisco are discussing the novels of Tanizaki. "The cuticles are very important," the woman proclaims, wiggling her toes furiously. "Very important. I learnt that in class last Wednesday." "Hunh, what?" exclaims her equally naked, equally graying male companion. "That's wisdom flowing through you, knowledge," she explains above the roar and recession of the waves. "That's energy being liberated, energy being balanced." "Whatever it is," mutters her friend, "it sure feels good!"

If feeling good is a religion, its cathedral is Esalen. The nerve center of the counterculture, the cradle of Gestalt therapy, the inspiration for a thousand adult-education courses (with the emphasis often on adult), the Esalen Institute, perched on the windswept cliffs of Big Sur, Calif., along one of the loveliest stretches of unreal estate in the world, has

condemned to earth." Whenever the talk gets too cerebral, Huang, a beady-eyed Boswell to Campbell's Johnson, leaps up and leads the group in dance.

In between sessions, many of the veteran "seminarians" reminisce about the bad old days, when encounter groupies were encouraged to roll around like snowballs or get out their feelings at the salad bar. Those were the days that fixed Esalen's image in the collective unconscious as a sort of spiritual singles bar, Californication Central. "When I tell my friends at home I'm coming to Esalen," says a Manhattan screenwriter, "they just roll their eyes and say, 'Oh yeah! The place where all the girls run around naked!' And when I say, 'Look, I'm going to hear an 80-year-old man talk about God for five days, they say, 'Oh, sure.'"

In other circles, of course, that image of hippie looseness is exactly what draws people to Esalen. As the institute's co-founder and chairman Michael Murphy cheerfully admits, "Esalen's reputation gets better the farther away you go." These days up to half the people who stay for a season or two, paying their way as work scholars, are foreign grandchildren of the revolution, come here from West Germany, Switzerland, Argentina or Brazil for a dose of good old-fashioned American Utopianism. Sleeping four to a room, working on the community farm or helping out at its school, they drift around the place in peasant skirts, dreamily smiling and strumming guitars in the sunshine. "In Esalen, I find all the joys of paganism!" exclaims a German-Rumanian therapist, explaining why he is living in a trailer and washing dishes to support his stay. "When I had rolling, it changed the colors of my day. At first I felt the sadness

of when I was a little child. Then the rage and rioting of when I was 18. And when I get the spiritual massage—ah, I feel as if I have been touched by an angel!"

For Murphy, however, Esalen's greatest promise is probably that of an outlaw university, a place that can pursue "rigor in the service of adventure," rescuing learning from both the dryness of the academy and the wishy-washiness of many alternatives. Certainly, aphorisms fly every evening in the central redwood lodge, where seminarians cluster in excited groups over cups of coffee and thrash out Rilke and reincarnation deep into the night. "You do not visit India; you visit yourself," a New York investment analyst tells an Italian woman from Houston and her



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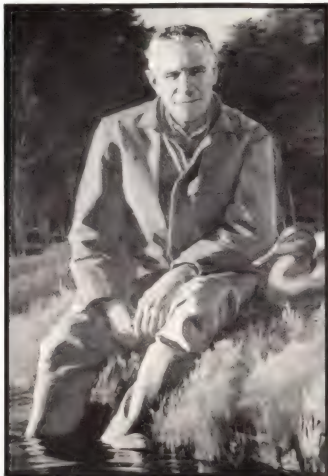
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American Scene

18-year-old son. "Whether man finds things on Mars is a reflection of whether he can find them in his subconscious," opines a crystals dealer from Santa Cruz, Calif. At another table, former All-Star Pitcher Vida Blue is buried in a book; at still another, a Balinese dancer chats with the former lead flutist of the London Symphony Orchestra.

In recent years Esalen's directors have made a concerted attempt to refurbish their image of sensual monasticism by moving farther out into the world. In 1980 they established a Soviet-American exchange program, which has opened up contacts with Soviet writers, academics and cosmonauts, and in 1982 they helped launch the first "spacebridge," or satellite linkup, between the superpowers. "We want to apply all that we have learned in personal psychology and interpersonal Gestalt to the most intractable relationship in the world," explains Jim Garrison, the Cambridge University Ph.D. who directs the program. For some loyal seminarians, however, all such gestures are a kind of heresy. "Who needs public credibility?" complains a man in textiles from Santa Monica, Calif. "I come here to get away from politics, international relations, all that stuff. I come here to hang out with my feelings."

Is Esalen then just a fancy holistic hotel? It certainly has all the amenities of a dream resort: a spray of hibiscus on every bed, ocean views from every rustic cabin. For days on end, no roar of traffic, no blast of television, nothing but the song of wind chimes. And as the Gestaltifying days of old recede, the place seems to be settling into a comfortable calm—less a crisis center, perhaps, than an otherworldly spa where affluent mid-life professionals can come to chop vegetables, lose themselves in books and enjoy a little quiet.

The real secret of Esalen's durability may lie, in fact, precisely in its willy-nilly eclecticism, its willingness to accommodate everyone, whether in search of a perfect tan, a perfect stranger or some higher kind of perfection: here is idealism without ideology. A curious blend of anarchy and serenity has, after all, been the only guiding spirit here ever since the days when its earliest residents included Hunter Thompson and Joan Baez.

In the end, perhaps the best explanation of why Esalen will always leave outsiders bemused at best, while devotees return as faithfully as salmon to their birth waters, is delivered by Joseph Campbell, soon after the entire community celebrates his 83rd birthday with a giant cake and a night of dances, stories and songs. "This is a kind of sacred space," the scholar suggests, "where we come not to rework our practical life but to discover an inner life, to respond to a vocation, to find a calling. As I always say, 'Follow your bliss!' " And all around him, as he speaks, the clean white light of sea and stars.

—By Pico Iyer



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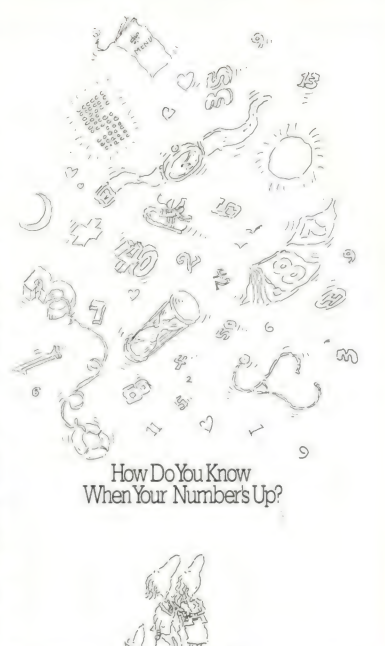
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The Unreal Campaign

With few cutting issues or themes, the crowded 1988 contest seems oddly unformed



We interrupt this magazine for an important political bulletin. The bellwether Cognoscenti Caucus is now over, and the results are pouring into Election Central. In a few moments we will find out the winner of the coveted "Big Mo" Award. But first, some background.

The Cognoscenti Caucus is not for everyone. It is limited to pollsters, party activists, key fund raisers and the national press corps, whose job it is to winnow the unwieldy field and set the expectations that the candidates must meet in Iowa and New Hampshire next February. They are the elite audience the candidates have been trying to impress in living rooms from Muscatine to Manchester.

And the winner is... No, there must be some mistake. It can't be right. There are no big winners or losers in either party. Expectations have been dashed! It's an entirely new, or rather an entirely old, ball game!

Vice President George Bush has survived the Iran-*contra* hearings. Senator Bob Dole has yet to make his big breakthrough. Congressman Jack Kemp is still scrambling for daylight on the far right of the field. Among the Democrats, the race remains as wide open as a frontier town on a Saturday night. Senator Joseph Biden was supposed to speak to a new generation, but then so was new-formula Coke. Congressman Richard Gephardt tried to trade on protectionism, only to see that issue sink like the dollar. Governor Michael Dukakis made inroads by warbling about the "Massachusetts miracle," but that chirpy refrain badly needs a second verse. One small surprise is that Senator Paul Simon is holding his own, bow tie and all, despite (or perhaps because of) his genuine, unapologetic liberal views.

There you have it from Election Central: the Republicans treading water, and the Democrats still searching for marketable themes. We now return to our regularly scheduled article.

There is, of course, no formal Cognoscenti Caucus. But Labor Day is a rough benchmark, as the candidates move from backers' auditions to full-fledged Broadway tryouts. The cast in both parties seems set; only Democratic Congresswoman Pat Schroeder of Colorado is waiting in the wings actively considering a late entry. The candidates (eight Democrats, with Schroeder, and six Republicans) have had months to master their lines, crafting glib answers to almost every conceivable question and perfecting a sincere this-is-who-I-am stump speech. The early-bird voters in Iowa and New Hampshire for the most part have been attentive, recognizing that this is the first campaign in two decades without an incumbent President dominating the race. It is also the first since 1952 where the outcome in both parties is so unpredictable at this stage. By historical standards, even Vice President Bush is a relatively weak favorite.

Yet there is something else that makes this campaign seem somewhat unreal, so eerily formless and wide open: for the first time in decades, there are few cutting issues or themes or ideologies for the candidates to ride in their quest to break out of the pack. No candidate has been able to tap a generational yearning for "new ideas," the way Gary Hart did four years ago. No candidate has been able to gain traction through such themes as radically reversing the role of Big Government, as Ronald Reagan did eight years ago, or appealing to anti-Washington populism, as Jimmy Carter did before that. There is no Viet Nam War, no polarizing social or civil rights crusades that can divide the candidates and shape the debate. Although there are issues ranging from the Robert Bork nomination to the *contras* to Star Wars that distinguish the

Dole and Ortega; Bush in a bomber; Pat Robertson in Iowa; Kemp slurping watermelon; du Pont checking corn; Haig and a pig







Under the rainbow: Jackson woos tomorrow's voters in Iowa



Not everyone in Iowa was attentive: Gephardt faces a hard sell

two parties, they do little to distinguish those battling within them.

With the stock market setting new records, inflation quiescent and unemployment dropping below 6%, pressing economic problems like the deficit and the trade imbalance remain abstract to most voters. Chastened by the experience of Walter Mondale, most Democrats (save for Swim-Against-the-Tide Bruce Babbitt) are reluctant to propose higher taxes. An example of the painless-dentistry approach to the budget is Dukakis' suspect claim that up to \$110 billion can be raised by stronger enforcement of existing tax laws.

Republicans are even more tongue-tied on the deficit. They are roughly divided into two camps: the Hand Wringers, who are outspoken on stressing the problem and somewhat reluctant to offer solutions (Dole and Alexander Haig), and the Supply-Siders, who ignore it completely (Kemp and Pete du Pont). Characteristically, Bush is somewhere in the middle. Recently, the Vice President timidly allowed, "If all the domestic spending has been cut that can be cut, then and only then would [I] consider the other alter-

native." That alternative, too frightening to whisper aloud, is higher taxes.

It is a truism of presidential politics that unless the nation is at war or a candidate is courting the egghead vote, stressing foreign policy is not the road to the White House. But 1988, at first blush, may be an exception. Perhaps it is because this is the one arena where the candidates are not frightened of Reagan's shadow. The voters seem interested as well, peppering the candidates with detailed questions on everything from *glasnost* to the gulf.

The problem is that it is hard to differentiate the contenders by their answers: both Democrats, with their emphasis on peace, and Republicans, with their stress on strength, are courting two diametrically opposed activist camps. On the Republican side, only Haig, a former Secretary of State, is making a major issue of Reagan's international bumbling; although Dole has occasionally raised an eyebrow about such things as America's ill-defined policy in the Persian Gulf, his debate with Daniel Ortega last week showed that he still shares the desire of other G.O.P. contenders to be on the right side of the Rea-

gan Doctrine. With Georgia Senator Sam Nunn's decision to skip the race, foreign policy differences may emerge on the Democratic side. Senator Albert Gore and perhaps Biden, who has recently been emphasizing foreign policy rather than generational themes, could shift toward the center on national-security issues in quest of Nunn's Southern constituency. But liberal activists in Iowa and New Hampshire will keep them from straying too far from peaceful pronouncements.

With few issues or ideologies to ride, the candidates have tried to get ahead by stressing their personal styles and strengths. In place of vision and transcendental themes, they are offering themselves to the voters. Yet there is a persistent feeling, particularly among Democrats, that for all their technical mastery of the issues, the candidates lack the stature and vision to be presidential. The clearest symptom of this credibility gap is the White Knight syndrome: a lovelorn fixation among many voters on avowed non-candidates, ranging from Mario Cuomo and Sam Nunn on the Democratic side to Howard Baker among Republicans. A TIME poll conducted last

Barnstorming: Simon shows off his rural roots



Dukakis chats with a few of the horses not in the race





Thumbs up: Schroeder encouraging supporters in Clear Lake, Iowa



On the road: Bruce Babbitt rides his van into the Iowa State Fair

week found that 41% of probable Democratic voters would like Hart to revive his scandal-scarred candidacy. That wistful notion does not seem likely; advisers to Hart say he will appear on ABC's *Nightline* this week to douse the speculation.

What accounts for this sense of unreality that hovers over what should be developing into a hotly contested campaign? Ronald Reagan is one answer. Even now, as he drifts wounded toward his last year in office, Reagan still defines the contours of the word presidential. As Harvard Political Economist Robert Reich puts it, "The public has become used to Reagan's charm and grace. No candidate on either side comes close to matching that." In truth, Jesse Jackson can conjure up something akin to Reagan's personal magnetism, but despite his poll standings, the preacher-politician's bid remains largely symbolic. The rest of the candidate chorus can only hope that the voters will learn to prefer competence to chemistry, and sound policy to stage presence.

For the moment, this has led to a contest of backgrounds and biographies. Bush, for example, is fond of claiming,

"I've got the most unique résumé of any candidate in either party," one of his ways of trying to overcome the wimp issue and show he has grit. In addition, most members of the class of '88 are playing that time-honored game (pioneered by William Henry Harrison in 1840) of searching for the log cabin that can convey their just-folks humble heritage. The self-made rhetoric all blurs together as Dukakis talks of his immigrant parents. Dole recalls "my father ran a cream-and-egg station," and Gephardt always mentions that he is the son of a milkman. Although they are the well-born disadvantaged in such a contest, du Pont harks back to his "scraggly" French immigrant forefathers (who arrived in 1799), and Bush points out that he left the comforts of Connecticut as a young man to make it on his own as a Texas wildcat.

To earn the stature that now eludes them, the candidates will have to offer the voters themes and ideas rather than merely their personalities. Some are moving tentatively in that direction. Downplaying protectionism, Gephardt is now stressing neopopulist rhetoric that pits the

heartland against the Eastern elites, symbolized by Archival Dukakis. But for the moment, Biden is the Democrat in the spotlight, as he tries to demonstrate leadership in the battle against Bork. He can make his name as a defender of Democratic values, but he risks displaying an inappropriately intemperate style.

On the Republican side, both Bush and Dole, never known as visionaries, are still cautiously waiting to reveal their policy positions. The challenge for Bush is particularly acute: he must forge a mild Declaration of Independence from the President without risking his claim as rightful heir. And as outsiders in a two-man race, Kemp and du Pont can afford to be outspoken as they vie for the allegiance of the conservative faithful.

In the months ahead, some contenders are certain to emphasize their electability rather than issues. But it would be a mistake to conclude that presidential stature can be automatically achieved by winning a few primaries. That merely prompts the voters to listen. The real trick is having something to say.

—By Walter Shapiro

Reported by Laurence L. Barrett/Washington

Taming the bull: Gore displays a prizewinner from his farm



Seeking a good steer: Biden gets a kick out of campaigning



Nation

Unhappy Democrats, a Loyal G.O.P.

Jesse Jackson and George Bush lead in a TIME poll



Although Democrats and Democratic-leaning independents have eight active presidential contenders to choose from, 49% of them are only somewhat satisfied or not satisfied at all with their options, and 34% would like to see other candidates running. In a poll for TIME last week by Yankelovich Clancy Shulman, when Democrats and leaners were asked specifically whether they want Gary Hart to re-enter the race, 41% said yes. The survey also shows that Jesse Jackson, by far the best known in the present Democratic field, has gained support.

Republican and Republican-leaning respondents, by contrast, are relatively content with their roster of six choices; only 12% say they would like to see someone else in the presidential race. Vice President George Bush is regaining much

of the ground he lost early this year to his main challenger, Senate Minority Leader Robert Dole. Bush was named as the first choice for President by 45% of the Republicans and leaners.

Among the Democrats, Jackson towers over his competitors in name recognition: 88% of those surveyed are familiar with him, while his rivals are unfamiliar to two-thirds or more of those interviewed last week. That contrast translates into increased appeal. Just after Hart dropped out of the presidential race in May, a TIME poll found that Jackson was the first choice of 15% of the Democrats. Running against the present field, Jackson is now the first choice of 26% of Democrats and leaners, though 28% still have no preference. Massachusetts Governor Michael Dukakis is a distant second with 11%. Colorado Congressman Pat Schroeder, who did not begin

campaigning until June, is third with 9%.

Jackson, who has been laboring to broaden his appeal beyond the black community, has made some progress among whites: 17% of white Democrats and leaners named him as their first choice, compared with 13% for Dukakis. He remains the overwhelming favorite of black Democrats and leaners (59% picked him as their candidate). Similarly, Schroeder gets twice as much support among women as she does among men.

The low visibility of the other Democratic candidates will change as the caucuses and primaries get closer, and voters' preferences are likely to change as well. In Iowa, where most of the Democrats have been campaigning intensely, surveys by the Des Moines Register indicate Jackson has been losing ground. Jackson's unfavorable rating among respondents who are familiar with him remains relatively high, although it is dropping. When respondents were asked if they have a "generally favorable or unfavorable impression" of each candidate, Jackson draws a 60% favorable response to 26% unfavorable. That is a significant improvement



	Democrats								Republicans					
	Jackson	Dukakis	Schroeder	Gore	Simon	Gephardt	Rabinowitz	Biden	Bush	Dole	Hagel	Kemp	Robertson	du Pont
Familiar with	88%	29%	31%	29%	33%	27%	21%	18%	93%	73%	69%	46%	42%	15%
First choice for President	26%	11%	9%	8%	6%	5%	3%	3%	45%	21%	10%	8%	4%	2%

Asked of Democrats and Democratic leaners.

Asked of Republicans and Republican leaners.

Which descriptions apply to these candidates? (Asked of those who say they are familiar with the candidates.)

	Jackson	Dukakis	Schroeder	Gore	Simon	Gephardt	Rabinowitz	Biden	Bush	Dole	Hagel	Kemp	Robertson	du Pont
A strong and decisive leader	71%	69%	61%	53%	56%	52%	42%	55%	61%	66%	72%	66%	34%	49%
Someone you can trust	66%	68%	72%	63%	59%	58%	52%	60%	80%	73%	49%	69%	43%	61%
Experience to be President	37%	48%	40%	45%	42%	39%	35%	46%	85%	69%	57%	49%	10%	46%
Cares about the average American	80%	78%	77%	67%	65%	64%	59%	64%	79%	76%	50%	67%	57%	58%
Will be effective in managing the economy	48%	59%	61%	54%	51%	48%	38%	43%	61%	63%	41%	55%	16%	62%
Can deal effectively with the U.S.S.R.	46%	42%	42%	44%	37%	33%	31%	29%	58%	55%	67%	49%	19%	42%
Will be good in an international crisis	56%	49%	47%	48%	45%	41%	37%	47%	65%	59%	64%	51%	21%	37%
Someone you would be proud to have as President	54%	63%	66%	54%	52%	46%	39%	47%	69%	68%	46%	58%	26%	49%
Someone you would buy a used car from	59%	60%	66%	50%	54%	46%	36%	54%	64%	61%	38%	59%	42%	53%

From a telephone poll of 1,512 adult Americans taken for TIME on Aug. 30 and 31 by Yankelovich Clancy Shulman. The sampling error is plus or minus 4% for Democrats and leaners (528 in sample) and 4.5% for Republicans and leaners (515).

TIME Chart by Joe Scharf

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since January, when his ratio was 45% to 37%, and moves him closer to some other candidates: for former Governor Bruce Babbitt, the figures are 44% to 25%; for Senator Joseph Biden, 55% to 23%. But Dukakis attracts favorable to unfavorable ratings of 71% to 11%.

Respondents familiar with each candidate were also asked if they agreed with nine descriptions of that contender, such as "has the experience to be President" and "someone you can trust." Like the other Democrats, Jackson comes up with relatively low marks in categories such as "experience," does well in others ("a strong and decisive leader"), and ends up as a mediocre part of the pack under several headings. These symptoms of ambivalence explain why one-third of possible Democratic voters say they would like to see another candidate in the race. When this group is asked who that candidate should be, 25% say Senator Edward Kennedy, another 25% say Hart and 19% mention New York Governor Mario Cuomo.

On the Republican side, the competition still centers on Bush and Dole, with the others trailing badly. But Bush's lead was dissolving during the first half of 1987. TIME's May survey of Republicans showed the Vice President ahead by only ten points, 34% to 24%, as the first choice for the nomination. In the latest survey, Bush's lead among Republicans and Republican leaners has increased to 24 points.

Bush has also made progress in the voters' perception of candidates. Last January 81% of Republicans familiar with the candidates agreed that Dole was "someone you can trust," while Bush's rating on that count was 75%. Now those percentages are reversed: 80% of Republicans and leaners call Bush trustworthy, vs. 73% for Dole. In January only half the Republicans would call Bush a "strong and decisive leader," while 81% said that critical description applied to Dole. The Vice President is still not viewed as the most decisive leader the G.O.P. could nominate, but his mark has improved to 61%, vs. 66% for Dole. Nonetheless, Dole's 71% favorability rating nearly equals Bush's 74%.

One important reason for Bush's recovery is that questions raised about his credibility in the early stages of the Iran-con scam investigation have now evaporated. Dole at first capitalized on Iran-con by deftly showing just the amount of independence from the White House that party loyalty would allow. But he was unable to generate continuing momentum when Bush was most vulnerable. While Dole divided his time between the Senate and the hustings, his campaign team was struggling to organize itself and raise money. Up to this point, the TIME poll indicates, Dole has been unable to establish a presidential profile strong enough to overcome Bush's advantage as the dutiful lieutenant to a President still adored in the party.

—By Laurence I. Barrett

The Presidency/Hugh Sidey

Ike's Nightmare Is upon Us

K eith Glennan, the man who got NASA running 30 years ago, can recall in vivid detail the night his boss, Dwight Eisenhower, warned America about the military-industrial complex. Glennan, who had been called away from the presidency of Cleveland's Case Institute of Technology to become the first NASA administrator, was watching television in his Connecticut Avenue apartment in 1961 when Ike sounded his ringing alert.

"This conjunction of an immense military establishment and a large arms industry is new in the American experience," said Ike in his farewell address. "We must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist."

Glennan had rarely been as thrilled as that night when he heard the old soldier's telling words. He had spent years in technology and industry, and he knew the truth of the danger Ike described. Now 82, Glennan is weak in body, but the engineer-educator's mind still blazes. Circulating privately in Washington since spring has been a letter Glennan wrote to the Harvard University Press that all but says Ike's nightmare is upon us.

Asked to do a book on space exploration, Glennan declined because of his age, but he wrote the following: "Were I up to it, I would take on the management problems arising out of an overly aggressive Department of Defense and a greedy industrial community aided and abetted by scientists and technologists. Someone should have the courage to call the shots on this cancer which is strangling the country and nowhere more than in the space area.... The basic question is, Who is in charge? Not Jim Fletcher [the current NASA administrator], not the President, not Howard Baker [White House chief of staff], but Cap Weinberger [Secretary of Defense] and Jim Miller of the Office of Management and Budget."

There are no inherently evil people in this turn of events, Glennan insists. He attacks no one personally. But the blind pursuit of individual interests has created a concentration of power that seems to overwhelm anything that gets in its way. "There is now less than a good, honest business relationship between contractors and the Defense Department," he says. "We've integrated scientists and technologists, and that is not always healthy. Scientists should be the cutting edge. But one of the reasons we have made so little progress in arms control is because too many scientists want to keep their weapons programs and laboratories going. They argue against such things as the limited test-ban treaty. And everybody with a special interest heads for Capitol Hill. There is a subcommittee for almost every one of them. Congress loves it because they want to try to manage the programs."

Glennan's concern emerges at a time when Washington is increasingly nervous about the U.S. position in space. We are short of launch vehicles for commercial and military satellites. Both NASA and the Pentagon are thrashing around once again, more in competition than in cooperation. America's space-flight program is on hold.

Meantime, the Soviet Union spends more, builds more and launches more. Soviet cosmonauts have accumulated 12.9 man-years in space, compared with the U.S.'s 4.8 years. Those Soviets have come down with some fascinating reports, such as the discovery that after three months 250 miles up in space, they are so attuned that they can see with the naked eyes ships at sea, tanks gathering on a field and, so rumor has it, even submarines under the surface of some ocean areas.



Eisenhower at Lowry Air Force Base in 1960



Glennan: echoing his boss



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No Right-On for Reagan

Ultraconservatives fear time is running out on them

If anyone can mollify hard-line conservatives, it should be their idol, Ronald Reagan. That is what Chief of Staff Howard Baker thought when a handful of right-wingers who had been invited to the White House began leveling accusations that the Administration was selling out the *contras* in Nicaragua. Baker had arranged for the President to drop by and explain in person that his tentative backing for a Central American peace plan implied no lessening of U.S. support for the Nicaraguan rebels. But this time his remarks were greeted only with cold silence; visibly irritated, Reagan shrugged and walked away. Said Burton Pines, vice president of the Heritage Foundation and one of the visitors: "People who have been around the President say that was probably the most chilling reception he had ever had from his supporters."

It was certainly not the first time Reagan had disappointed his bedrock constituency. Throughout his presidency, staunch conservatives have sporadically complained that Reagan in action has never matched the ideological oratory that so thrills them on the stump. But as the silent tableau in the Roosevelt Room indicated, their dissatisfaction is plumbing new depths, which could make trouble not only for Reagan but also for the Republican aspirants to succeed him.

In the past, some of the conservatives' loudest complaints have focused on Reagan's failure to push hard on such social issues as abortion and school prayer. The President's nomination of Robert Bork to the Supreme Court has stilled some, but not all, of the gripes about domestic policy; conservatives now grumble that Reagan is abandoning his "economic bill of rights" and promoting a leftist, catastrophic health-insurance scheme. But, says Paul Weyrich, head of the conservative group called the Free Congress Foundation, "the real feelings are on foreign policy issues."

To moderates, Reagan's tentative endorsement of the peace plan signed in August by five Central American Presidents may have seemed grudging and tepid. But to the right it sounded like the crack of doom for any effort to save Nicaragua from Communism. Some conservatives are also aghast at what they view as the Administration's headlong rush into a missile treaty with the Soviets, and in particular by its retreat from strict verification demands. Says Patrick Buchanan, once Reagan's communications director: "We are better off with 574 missiles that can land on the Soviet Union than we are with a damn treaty."

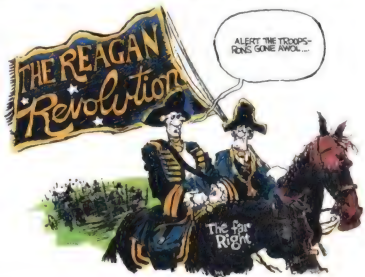
Conservatives were further alarmed last week by a report in the Washington Times that Reagan had chosen Paul Nitze

to head the Arms Control and Disarmament Agency. Actually, White House sources say no appointment is imminent; they speculate that the story was leaked in order to mobilize opposition to Nitze, who was once viewed as a hawk but is now thought by conservatives to be too eager for a grand compromise with Moscow on strategic weapons. The right would prefer Edward Rowley, who, like Nitze, is a special adviser to the President on arms-control matters. Ronald Lehman, a member of the U.S. negotiating team at Geneva, is being talked of as a compromise choice.

The right still cannot bring itself to criticize Reagan directly. Conservatives will not accept the thought that the President, running for his place in the history books, is no longer absolutely wedded to their ideological agenda. Instead, they complain that the Administration more

adds: "If the President continues to embrace Baker's advice, he may yet end his eight years in office as the man who not only permitted the Soviets to establish a major beachhead on the American continent but also presided over the greatest increase in the welfare state since Lyndon Johnson gave us the Great Society." Responds Baker: "My responsibility is to carry out [Reagan's] wishes and policies."

The deepest reason for the ultra-conservatives' dismay may be a fear that time is running out. With only 17 months of his term remaining, Reagan in their eyes has yet to effect any permanent change in the nation's direction; Weyrich expresses a worry that "almost everything that President Reagan has accomplished can be swiftly undone by a single session of a heavily Democratic Congress." Even if a Republican successor is elected, the hard right cannot be sure that he will be able, or for that matter want, to carry the so-called Reagan Revolution to fruition. Its hero, Congressman Jack Kemp, ran fourth among Republicans in the latest Yanke-



than ever is filled with mushy compromisers who will not let Reagan be Reagan. There is also suspicion about creeping "Nancyism," the First Lady's supposed efforts to have her husband become known as a peacemaker.

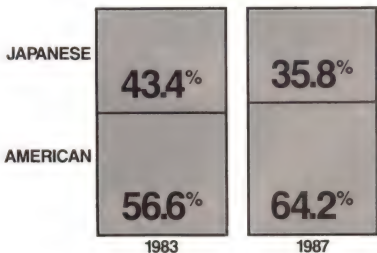
In this vision, the prime villain is the chief of staff—indeed, almost any chief of staff. The far right had no love for James Baker and mistrusted Donald Regan, but it now thunders that Howard Baker is the worst of the lot. BRING BACK DON REGAN urges a headline in a recent issue of the weekly *Human Events*, over an editorial charging that "Baker and his merry crew, by filling the President with doubts about his capacity to lead and then spreading 'concern' about that capacity to the media, are emasculating his presidency." It

lovich poll for TIME. The leaders, Vice President George Bush and Senator Robert Dole, have never won the full trust of movement conservatives.

But the right is not as impotent as it feels; its activists dominate many a Republican primary and caucus. Bush and Dole are both maneuvering to ally their suspicions, in part by distancing themselves from Central American peace initiatives. Indeed, every one of the six Republican contenders has, to some extent, positioned himself slightly to the right of Reagan on certain issues. That may be necessary to win the loyalty of primary activists, but it may not be the best recipe for victory next fall.

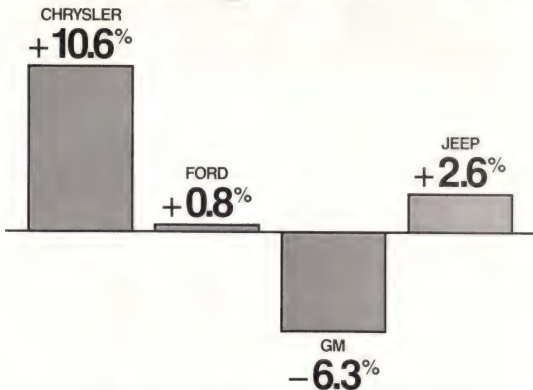
—By George J. Church.
Reported by Barrett Seaman/Washington

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Nation



Police Chief Kelly, with Homestead's closed mill in the distance

Trying to Trace a Rapist

A town nabs a suspect, but not through its fingerprinting

Sooner or later everybody hears about Homestead, a dwindling Pennsylvania mill town of 5,092 souls just across the Monongahela River from Pittsburgh. It was the site of historic labor-management strife in 1892, when striking workers lost a bloody (ten dead) battle with armed, union-busting Pinkerton agents hired by the Carnegie Steel Co. More recently, after U.S. Steel (now the USX Corp.) closed a plant that had provided about 15,000 jobs, the town commanded attention as a victim of the economic tides that have sunk smokestack industries. Last week Homestead blurted into national attention yet again—this time because of a police campaign to solve a series of rapes by seeking the fingerprints of almost every black man in town.

The attacks, which began in 1983, were all on elderly women, five white and one black. By throwing a sheet over the head of each victim, the culprit had remained unseen. Yet hair samples and sketchy impressions of some witnesses indicated that the rapist was black. It also appeared likely that he was a local; he always seemed to know which women could be found alone in houses unprotected even by a dog. All of which made residents especially edgy, and made Police Chief Christopher Kelly particularly eager to solve the case.

About a month ago, the chief deployed his 13-man force with orders to ask all grown black men, with the exception of the obese, to agree to be fingerprinted. "We have an obligation to try every option within our means," proclaimed Kelly, 33, a Homestead native who has been on the force for 13 years. He sternly denied any racist sentiment and insisted—convincingly, since at 6 ft. 5 in. and 280 lbs, he

looks like a fellow who could go bear hunting with a switch—he would have asked for fingerprints of whites if he had thought the attacker was white.

Homestead's black leaders generally supported the fingerprinting tactic. The Rev. Donald Turner, pastor of the Second Baptist Church, volunteered his prints and urged others to cooperate. "We're not here to prove you are the rapist," he told members of the black community, which makes up 40% of Homestead's population. "We want to prove that you are not the rapist." Alice Kirkland, president of the local chapter of the N.A.A.C.P., said her group would not oppose anyone who wanted to volunteer prints, adding, "We've had no complaints from the residents so far." One of two black officers on Kelly's force, Sergeant Ellsworth Ford, a 13-year veteran, has been behind the drive so warmly he has given his recent days off to it.

To be sure, it was easy to find black resentment of the police. "They are just grabbing for straws," a 27-year-old unemployed mechanic said last week as he stood talking with a couple of friends on a downtown street corner. "When they come up to you, they almost make you feel guilty." In an equally disdainful tone, a 23-year-old in the uniform of Pittsburgh's Institute of Security and Technology added, "When there's trouble out there, the cops aren't ever around." Yet only a handful of black men, six or so, refused

to be printed, while some 125 volunteered.

It was inevitable, however, that the unorthodox technique of going through the black community collecting fingerprints would eventually provoke a controversy. No matter how "voluntary" the program, the notion of methodically asking people who were not individually suspect to submit to an intrusive procedure simply because they were black raised some worrisome racial and civil-liberties issues. Said James Lieber, executive director of the Pittsburgh branch of the American Civil Liberties Union: "Blacks must relinquish their privacy or become suspect." N.A.A.C.P. Executive Director Benjamin Hooks said it looked like "police power run amuck." William Penn, director of N.A.A.C.P.'s local branches, feared an "open season on black people."

By the middle of last week, Kelly's investigation had turned into a national story, and Homestead briefly became a media circus. While idlers in the doorway of the Ragtime Saloon gawked at network television crews outside police headquarters, the chief pressed on with his campaign. On Wednesday his men rushed to request fingerprints from a "suspicious" black man reported downtown; they found that he was merely an innocent man from Pittsburgh who was standing around waiting for his brother. Otherwise, Kelly's teams kept up their door-to-door canvass, collecting prints and handing out alarm horns to women in the blue-collar neighborhood where the rapes had been concentrated.

Oddly, an even more unorthodox police procedure went unreported: Kelly's men had asked many of those they interviewed to volunteer blood samples to be checked against bits of the rapist's blood in police possession. "We got 45 samples," Kelly noted last week.

As it turned out, it was neither the fingerprints nor the blood samples that ended the hunt. On Thursday night, while Kelly and others were being interviewed on ABC's *Nightline* about the case, police arrested a man who was trying to sell a shotgun at a pawn shop in nearby Braddock. The gun had been stolen from a

house where one of the rapes had taken place. The suspect, Dennis Foy, 22, is unemployed and lives with his family on the same block where one of the rapes occurred. His father, unemployed Steelworker Julius Foy, 57, had voluntarily given his fingerprints and had told police he would urge his son to do likewise. The younger Foy confessed, thus closing Homestead's latest little footnote to history and allowing it to go back to the task of muddling through.

—By Frank Trippett/Homestead



Foy: charged, then printed

Q.

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A Case of Rank vs. Privilege

How a Senator helped a contractor outflank the Navy

When it comes to railing at swollen military budgets, Congress talks a good game. But where constituents are concerned, legislators all too often pull out the purse instead of the paring knife. One such sympathetic Senator is Republican Arlen Specter of Pennsylvania: thanks to an amendment he tacked into a defense appropriations bill, a Pennsylvania firm stands to gain as much as \$10 million to cover cost overruns on a fixed-price contract with the Navy.

The favored company is the Pittsburgh-based Dravo Corp., which in 1983 underbid four other builders to win a \$102.9 million contract to construct a steam plant for the Navy at the Portsmouth, Va., shipyard. When Dravo discovered its design would not work as promised, it had to redesign the plant. By August of last year, the company faced increased costs of almost \$25 million. Dravo's Washington Lobbyist Martin Hamberger did not waste time trying to persuade unsympathetic Navy brass to renegotiate. Instead he went to Specter, asking for a bailout. The Senator received \$9,500 from Dravo's political-action committee for his 1986 re-election campaign. Last September Hamberger gave Specter a draft of what he wanted—an amendment to the defense appropriations bill that directed the Navy to reimburse Dravo for its overruns.

Hamberger argued that the Government got a better plant than it had bargained for. Specter would not comment on the matter; a staffer said the Senator "did nothing for Dravo that he doesn't do regularly for Pennsylvania companies, many of whom are not contributors." Buried in the 97-page bill, Specter's measure was approved with little fuss, and it later became part of last year's \$290 billion de-

fense appropriation. Congress added a dash of austerity: a \$10 million cap was put on the amount Dravo could be reimbursed.

No one had told the Navy about the measure. "Why should I?" asks Hamberger. "That's not my job." The Navy was infuriated. "It was all done before we knew anything about it," said a senior Defense Department official. "It was an abhorrent exercise of legislative prerogative." Last spring the Navy persuaded Republican Congressman Robert Badham of California to offer an amendment to the 1988-89 defense authorization bill banning the use of funds to reimburse Dravo. "It was an extremely dangerous precedent," says Badham. "It gives a whole new dimension to bidding and contracting: If all else fails, go to the Congress."

But Badham's measure has been trumped by a rider from Republican Congressman Herbert ("Sonny") Callahan of Alabama, who proposed that the Pentagon reimburse Dravo for losses incurred between last October and such time as the repeal is signed into law. Callahan too has reason to be sympathetic: Dravo is a major employer in his district around Mobile. The Dravo PAC has also provided him with \$4,000 in recent years.

Still smarting from being outmaneuvered, the Navy is auditing the Dravo project and continues to lobby against the relief measure. "It's a matter of principle," said the senior Defense official. "When you sign a contract, you're supposed to produce. We have got to draw a line on this one and tell the world that's the way it should run." That is just what Congress has been telling the Pentagon all along.

—By Ted Gup

Reported by Jay Peterzell/Washington



Dole: demanding a report card

Wrong Track

Delta is blamed for a close call

The fact that airline crews were overheard arguing by radio about whether they could avoid reporting a near collision over the North Atlantic last July 8 was alarming enough. But last week the National Transportation Safety Board reported that the two airliners, a Delta L-1011 and a Continental 747, carrying a total of nearly 600 people, had missed each other by a hair-raising margin of about 30 ft. Worse yet, investigators in both Canada and the U.S. suggested a probable reason for the Delta crew to want to keep the close call a secret. An interim NTSB report charged that the Delta crew had failed to follow basic procedures for double-checking the plane's location. It was 60 miles off course.

In transatlantic crossings, where planes cannot be monitored by ground-based radar, airliners are assigned parallel tracks that can be at the same altitude but are 60 miles apart. To make sure they are on course, crews are expected to log their position at waypoints based on latitude and longitude and to report it by radio to air controllers. At best, this could alert the monitoring stations to any developing danger, and the controllers could suggest changes in course, altitude or speed.

In this case, both of the jumbo jets were flying toward the U.S. from London at 31,000 ft. and were reporting to the Canadian air-traffic center at Gander, Newfoundland. Their close call came in clear weather at about the halfway point in their crossing. The Delta airliner drifted south of its course and passed just under the Continental plane, which was on its proper track. According to the NTSB, which is cooperating in the investigation with the Canadian Aviation Safety



Inside Dravo Corp.'s costly steam plant at the naval shipyard in Portsmouth, Va.
The message to defense contractors: "If all else fails, go to the Congress."

AMERICA'S FAVORITE TEAM

First in a series brought to you by

America's Favorite Store



In 1980, the entire country celebrated when a squad of young Americans beat the seemingly invincible Russian hockey team four to three. The Americans went on to capture the gold medal by beating Finland four to two. It was Lake Placid's "Miracle on Ice," the sporting achievement of the year—maybe even the decade.

Four years later, under pressure to repeat that miraculous win, the U.S. hockey team was eliminated from the medal round at the Winter Olympics in Sarajevo. Though disappointed, they left with even stronger hopes for 1988.

The February 13th to 28th Winter Games in Calgary will spark a blaze of international attention on the 1988 quest for hockey gold. The task of getting the American team in top shape is in the capable hands of Dave Peterson, the hard-driving, soft-spoken head coach of the Olympic squad, and national team coach for the U.S. Amateur Hockey Association since 1985.

Last month, during the intensive Team USA training at Lake Placid, Peterson picked 28 of the country's top players for the 1988 U.S. Hockey Team, 23 of whom will face off against Austria in the Olympic Games' opening round on February 13th.

Olympic hockey now open to professionals

This year's group of future gold medal winners will go to Calgary with a wealth of international experience. And for the first time, professional hockey players are eligible to play in Olympic competi-



Center Kevin Miller at Lake Placid getting ready for the Team USA tour.

tion. Chris Terrer, a New Jersey Devils goalie (considered the best American goaltender to come out of college this decade) was a major factor at the World Hockey Championships last May, where the American team finished seventh with a seven to four win over Switzerland.

National Hockey League players on the squad also include Indianapolis Checkers defense Peter Laviolette and Steven Leach of the Washington Capitals. University of Wisconsin goalie Mike Richter helped the U.S. win its first-ever medal (a bronze) at the 1986 World Junior Hockey Championships. Other top college players—including Brian Leetch (the Boston College defense who was the N.Y. Rangers' number one draft choice last season), Boston University left wing Clark Donatelli, Boston College center Craig Janney and University of Minnesota right wing Tom Chorske—round off a team that may be even better than 1980's.

University of Minnesota center Corey Miller and former Harvard player Scott Fusco, both alumni of the 1984 Olympics, will play for the U.S. again this year. Both feel they're in a unique position to help the younger players prepare for the most difficult and exciting period of their athletic lives.

The team's ready for a tough skate

All too aware of the event's short but glorious time span, these two Olympic veterans are confident that the U.S. team is better prepared than at any time in its history. "You realize everything comes down to just two weeks," says Fusco. "You've got to be ready."

By finishing seventh in the World Hockey Championships, the U.S. is now pooled with second-place Russia, third-place Czechoslovakia and sixth-place West Germany in daily games at Calgary's Olympic Saddledome. It will be a tough skate for the Americans, but that doesn't faze Dave Peterson.

"That's the level we aspire to," he says. "We want a team that can play any style against any competition. We'll have to be physical, yet able to play a graceful game. We can't be one-dimensional."

Nothing's left to chance

Having coached most of these players in the 1987 World Championships, the 1986 Junior Championships, and the Pravda Cup in Leningrad, Peterson's made sure the U.S. team is ready for the toughest in international competition. He's lined up a 63-game Team USA tour that takes squad members across the U.S. and on to Finland, Sweden, Scotland and Canada. Over the next few months, the schedule includes an eight-game series against a Soviet all-star team, nine games against the NHL, and another 20 against Division I college teams.

"One advantage we have this year is that many of these players have already competed against the Russians," he says. According to Peterson, the 1988 U.S. Hockey Team is one that can handle anything. "It's a team with strength, size, talent and even some trickery."

"In 1984, we were a great hockey team that didn't perform well. This time we have an excellent chance to win a medal."

—Written by Lesley Visser,
edited by Divya Symmers
Design: Jason/Jared Associates, Ltd.



Olympic hopefuls at Team USA's training camp: from left, Kevin Miller, Ed Lowney, Jeff Norton, Don McSweeney and Greg Brown.



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*Offer ends November 30, 1987. See store for details.



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Nation

Board, the Delta crew had not been supplied with oceanic charts to display the coordinates of their assigned flight path. As a result, the crew "did not plot their present or predicted positions upon crossing waypoints."

The U.S. board urged the Federal Aviation Administration to issue new rules requiring that crews apply at least five of six recommended techniques for verifying their location, including use of the charts. The Delta crew, the investigators found, had followed only one of the six procedures. The Canadian board issued a similar plea and reported that five times a month aircraft crossing the North Atlantic stray off course by 25 miles or more. These "gross deviations," the Canadian board said, are occurring "with sufficient frequency for concern." The American board faulted both crews for failing to report the incident promptly, which left

air controllers unaware that the Delta plane was off course. Delta suspended the pilot for a year, the co-pilot for three months and the flight engineer for two months. Continental took no action against its crew.

Another apparent example of sloppy procedures nearly led to the death of an Eastern Express pilot last week. Pilot Henry Dempsey and Co-Pilot Paul Boucher took off in a Beechcraft 99 commuter plane from Portland, Me., without any passengers—and seemingly without the rear door securely fastened. When Dempsey went back to close it, the plane ran into turbulence, and he was tossed against the door. Hinged at the bottom, it swung down, and Dempsey fell forward with it. He clung to the door, head down, with only his legs inside the aircraft.

At the controls, Boucher assumed that the pilot had dropped into the Atlantic

and asked for a Coast Guard search. But when he made an emergency landing at Portland International Jetport, Boucher discovered happily that Dempsey was still hanging on to the door. His head had missed striking the ground by 12 inches. He suffered only a bruised wrist.

Meanwhile Transportation Secretary Elizabeth Dole announced that the FAA will require the 14 largest air carriers to report how often each flight is more than 15 minutes late for any cause except a mechanical problem. The flights will then be assigned a code that will show up on the computers of ticket and travel agents; travelers who ask will be given some idea of the reliability of the schedule for each flight. Similar reports will be required on the frequency of lost, delayed, damaged or pilfered baggage.

—By Ed Magnuson.
Reported by Jerry Hunsfitt/Washington and Peter Stoler/Ottawa

Truth and Reason Upside Down

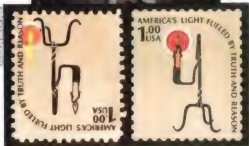
CIA employees are caught in a philatelic furor

Just when the CIA thought the scandal season was over, along comes Stampscam. Though it has none of the drama of arms-for-hostages trades or covert wars in Central America, this latest caper centers on the appropriation of a valuable rarity: 95 misprinted U.S. postage stamps that could be worth thousands of dollars each.

The scheme apparently began on March 27, 1986, when a CIA employee on Government business bought 95 \$1 stamps at the McLean, Va., post office. The image on the stamps was an austere candlestick; the inscription read AMERICA'S LIGHT FUELED BY TRUTH AND REASON. At CIA headquarters in Langley, a clerk noticed that an orange halo that should have surrounded the candlestick flame was instead printed in the lower right-hand corner. The curiosity was shown to several co-workers; one of them was a philatelist who realized that the misprints were collectors' items.

Ordinary stamps were then substituted for the valuable ones. Six days later, 85 of the misprints were sold through a New Jersey dealer, Jacques Schiff. (The CIA staffers had attempted to sell 86, but one of the stamps was torn and, consequently, worthless.) A well-known trader of misprinted stamps, Schiff refuses to disclose how much the spooks were paid for their goods. Since then, however, Schiff has brokered three sales of the stamps. In the last transaction, 50 stamps were sold to the Mystic Stamp Co. for nearly \$1 million, or \$20,000 a stamp.

The nine CIA staffers involved later told investigators for the Bureau of Engraving and Printing that the nine other stamps they acquired were sent out an agency mail. Skeptics, however, believe that each of the employees kept a single



Dealer Schiff displays the spooks' find, in tweezers

A misprint, left, contrasts with a correct copy.

stamp for himself. Jim Ellenberg, owner of a stamp- and coin-collecting shop in suburban Washington, insists he recently gained possession of one of the inverted candlestick stamps from a CIA man. Says Bill Bergstrom, office manager of the Schiff firm: "It is obvious one, all or some [of the CIA workers] were holding the rest."

The CIA will not say whether it has

launched an internal investigation of the stamp switch, and so far there is no indication that the Justice Department has been asked to look into it. But if probes were to find that the nine staffers had illegally converted Government assets for personal use, the workers could face criminal indictment.

The candlestick goof apparently occurred on a single sheet of 400 stamps. The orange glow of the candle flame was printed first through a photo-offset process. After a random quality-control inspection, the sheet was reversed so that the candlestick and the words surrounding it were printed upside down. Of 100 erroneous stamps sent to the McLean post office, five are believed to have been sold to the public before the CIA purchase. The whereabouts of those five stamps remains unknown.

And the other 300 imperfect candlesticks? According to Charles Yeager, Washington correspondent for the weekly *Linn's Stamp News*, those rarities are circulating somewhere in the American heartland. "If I lived in the Midwest," says Yeager, "I'd go down to my local post office and have a look."

Conspiracy theorists can have a field day with Stampscam. Was it mere coincidence that 100 rare stamps were dispatched to the McLean post office, which is used by the CIA, while the other 300 misprinted candlesticks were shipped hundreds of miles away? Was it further coincidence that of all the customers at the post office, a CIA employee happened to buy the valuable issue? Why stop there: Could it be that profits from the stamp sales were being diverted to the *contras*? Or was the money being used to fund "off-the-shelf" covert activities? What did the Postmaster General know about the misprints? And when did he know it?

—By Jacob V. Lumar Jr.
Reported by Jerome Cramer/Washington

Turn a page
of history.

Introducing 4

Cars have come a long way on two wheels. They handle better today than ever before. Their suspension systems are proven on the racecourses of the world. Tire design is its own science.

So automotive engineers started to look behind them. And saw something.

Four-wheel steering would change all this. There would be no delay when you make a turn because all the wheels would turn at the same time. Turning forces would be equal.

Honda engineers thought about this for ten years. They found the answer.

They knew that the rear wheels can play a vital role in the way a car handles. That all four wheels should work together effectively.

It's a reasonable assumption. When you turn your car, the front wheels change direction. They point to where you want to go. The rear wheels remain fixed in a straight line. They have to wait until the car body begins to turn before they change direction.

That means there are two forces acting upon your car in any turn. And always one acts after the other.

That's why your car sways when you change lanes. Why it doesn't turn as sharp when parking. The back end is trying to catch up with the front.

They called it steer-angle dependent four-wheel steering. Here is how it works:

The rear wheels are linked directly to the front wheels by a steering shaft, gears and rods. There are no computers, wiring or electronic black boxes. The Honda system is mechanical and sure. Now comes the amazing part.

How far you turn the steering wheel determines which way the rear wheels turn. And how much they turn.

Turn the steering wheel a little and the rear wheels turn a little in the same direction as the front wheels. Turn it all the way and the rear wheels turn in the opposite direction. There is

4wheel steering.

a big reason for this amazing turn of events. When the rear wheels point in the same direction as the front wheels, there is no delay in the car's turning motion. The car will turn immediately.

You need that for high-speed maneuvers like lane changes. Then you quickly crab over into the next lane. With less body sway.

But low-speed maneuvers are another thing. A car can't turn corners as sharply if the front and rear wheels point in the same direction. Now they need to turn in opposite directions. For example, the

driving long distances. You work less and arrive more relaxed.

On slippery surfaces, the car is less likely to fishtail. Parking is a breeze. So is getting through a packed parking lot. U turns become u turns.

This year we introduce our latest technological advancement on our most technologically advanced car. The Prelude Si 4WS. It has been refined and redesigned. The hoodline is lower yet. The suspension includes double wishbone on all four wheels. From the racecourses of the world.

There is a new double overhead cam engine with sixteen valves. And



front wheels turn right and the rear wheels turn left. The car will then turn in a tighter circle.

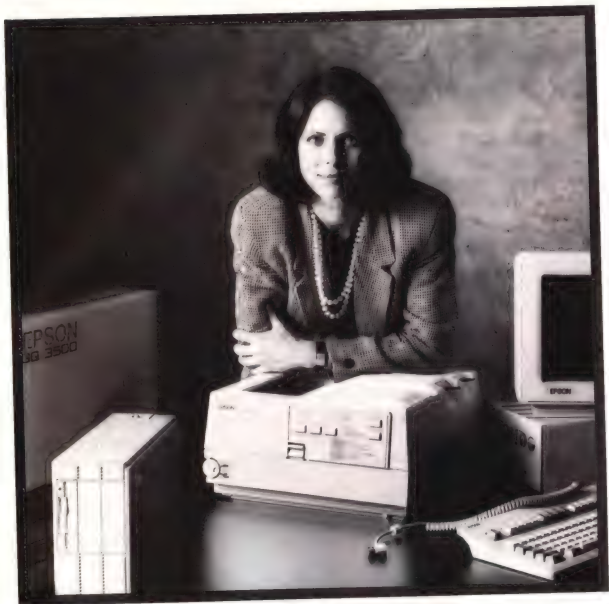
Four-wheel steering lets you drive smoothly through gentle curves. Lane changes are more stable. You aren't constantly correcting the steering in a straight line. The car tracks better. That last part is important when you're

a new available automatic transmission.

Honda technology keeps Honda cars far ahead of the others. Often by years. Four-wheel steering promises the turn of the century.

HONDA

The Prelude Si 4WS



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American Notes



Disaster: fanned by winds, fires light up the night sky near Tuolumne County, Calif.



Protest: demonstrators assist their stricken friend

CHEMICAL WEAPONS

Demystifying "Yellow Rain"

In 1981 the Reagan Administration accused the Soviet Union of engaging in biochemical warfare against rebel groups in Laos and Kampuchea. Citing eyewitness reports and physical evidence, the State Department said that Soviet-backed forces had dropped a "yellow rain" of fungal poisons from the skies in Southeast Asia, killing and injuring thousands of civilians and insurgent troops. The charge was vehemently denied by the Soviets, and now an article in the autumn issue of *Foreign Policy* accuses the Administration of ignoring evidence that refuted its stunning claim.

Using declassified documents filed by a U.S. team sent to Southeast Asia to investigate the allegations, the article says that experts were unable to find proof of biochemical warfare. Alleged witnesses recounted reports of the yellow rain, and the team found that the supposed symptoms caused by the toxin—vomiting, skin irritation and dizziness—were more likely the effects of smoke inhalation and battle fatigue. Moreover, the authors say, private examination of the yellowish substance on leaf samples determined the "poison" was composed almost entirely of pollen. The suspected source of the yellow rain: swarms of honeybees that dropped

the pollen from overhead. The Reagan Administration, the authors dryly conclude, "chose to pursue a strategy of maximum public impact" by rushing to judgment without sound scientific analysis. Despite the damning article, the Administration still stands by the accusation.

DISASTER

The Big Heat

In the West last week, calamity came in the form of high-altitude thunderstorms that raced up the spine of the Sierra Nevada through California into Oregon, Washington and Idaho. During three days, lightning sensors recorded 60,000 thunderbolt strikes on parched forests. Gusty winds fanned the flames until 480,000 acres were engulfed in the worst fires in the region since 1910.

In California's Stanislaus National Forest, the area of destruction from blazes doubled, to 90,000 acres, in less than a day. Four thousand residents of nearby Tuolumne County were forced to flee from the 50-foot walls of flame. In all, some 9,000 people were ordered to evacuate their homes in a dozen mountain settlements. More than 20,000 fire fighters were enlisted to help. With no rain in the forecast, they were braced for a long battle.

POLITICS

A Trump Card?

Whether slapping his name on skyscrapers or feuding with New York City Mayor Ed Koch, Developer Donald Trump captures attention. So when the boyish-looking billionaire spent \$94,801 on full-page newspaper ads last week to sound off about the Persian Gulf, political observers took notice. Was Trump preparing a run for office?

Trump's "open letter" ad read suspiciously like a stump speech. Calling for more "backbone" in U.S. foreign policy, the statement urged that Japan and Saudi Arabia be required to pay for the U.S. defense of the gulf. Trump, 41, disavowed any political ambitions. "I have no intention of running for President," he said. But he has plans to speak in New Hampshire, where a Republican activist is organizing a "Draft Trump" campaign.

PROTEST

Blood on The Tracks

Throughout the summer, antiwar demonstrators have used their bodies to block the movement of munitions at the naval weapons station in Concord, Calif. Last week that classic act of civil disobedience

ended in tragedy when a weapons train plowed into a group of peace activists, mutilating one of them. As other demonstrators leaped out of the way, S. Brian Willson, 46, was caught sitting cross-legged on the tracks. Willson's wife and stepson watched in horror as the train dragged him 25 feet, fracturing his skull and severing his right leg below the knee. Surgeons later amputated his other leg below the knee. The Navy claimed that the train was traveling at 5 m.p.h. and its civilian crew did not see the group.

ARIZONA

Spoofing The Governor

When the editors of the *Mesa Tribune* in suburban Phoenix jumped into print early with copies of this week's *Doonesbury* cartoon strip, they knew they would be making news. The object of Artist Garry Trudeau's satire is Evan Mecham, Arizona's outspoken Republican Governor. The strips lampoon controversial remarks Mecham has made since taking office in January, including his description of recall-movement leaders as a "band of homosexuals" and a few dissident Democrats. Mecham is not amused: he complained that the *Doonesbury* series "crossed the point of decency" and advised his lawyers to explore a possible libel suit.

THE GULF

Back to the Bullets

Pressure for peace builds while Iraq launches a new tanker war



Speedboats with machine guns and grenade launchers are Iran's chief weapon against shipping

Bullets flew again last week over the Persian Gulf along with bombs, rockets and, oddly, prospects for peace. One of the ironies of the seemingly endless Iran-Iraq war is that the chances for a settlement appear to improve whenever the gulf conflict threatens to fly out of control. That seemed to be the case as the week wore on: the so-called tanker war in the gulf was renewed with a vengeance, while simultaneously there was new activity on the diplomatic front. By week's end United Nations Secretary-General Javier Pérez de Cuéllar was packing his bags for a trip to Iran and Iraq that could lead to a lasting cease-fire. Meanwhile, the gulf and the Strait of Hormuz were littered with blasted, battered, shell-pocked ships from a dozen nations.

As the new diplomatic moves were played out, U.S. officials criticized Iraq for heating up the war again. That untimely escalation threatens peace discussions at the U.N. and poses a greater danger than ever to U.S. naval forces, which since July 21 have been providing protection to eleven reflagged Kuwaiti oil tankers. At the same time, the U.S. denounced Tehran's dilatory tactics in responding to a July 20 U.N. Security Council resolution calling for a cease-fire. The Reagan Administration even briefly threatened to seek an international arms embargo against Iran.

Iraq revived the tanker war on Aug. 29 after a 45-day lull that coincided with the U.S. military buildup and the Security Council resolution. Iraqi fighter jets swooped down over three Iranian oil facilities in widely separated locations. In the southern gulf, they set ablaze the tanker *Alvand* at Sirri Island as the ship was being loaded with Iranian oil. In the central gulf, they attacked an oil-loading facility on the island of Lavan. In the north they bombed and strafed the island of Farsi, used by Iranian Revolutionary Guards as a base for speedboat assaults against gulf shipping. Said Iraqi President Saddam Hussein after the first wave of air raids: "From now on we will strike them on the sea and destroy all the economic arteries that finance their aggression."

By week's end Iraq claimed to have disabled twelve "maritime targets," though independent sources could confirm only seven hits, one of them a small

supply boat on which two crewmen were killed. The Iraqi air force, whose active warplanes outnumber Iran's almost 10 to 1, also bombed and set ablaze the main Iranian oil-processing facility on Kharg Island and attacked what a military communiqué described as "economic and industrial targets" around the Iranian cities of Ahwaz and Isfahan.

Tehran responded by unleashing its fleet of small speedboats armed with machine guns and rocket-propelled grenade launchers against neutral oil tankers and freighters. The speedboats, with crews of four to eight men and often no markings indicating country of origin, are Iran's chief weapon in the gulf. The boats made hit-and-run attacks against Greek, Cypriot, Italian, Spanish, South Korean and Japanese vessels. On Friday, Iran for the first time launched one of its Chinese-made Silkworm missiles from occupied Iraqi territory on the Fao peninsula. The missile plunged harmlessly into the water off a Kuwaiti beach. Most of the ships hit by Iran were sailing to or from Kuwait and Saudi Arabia, which are allies of Iraq. Iran also renewed its artillery bombardment of the Iraqi city of Basra. Late in the week the ship insurers at Lloyd's of London raised war-risk premiums for vessels sailing into the Persian Gulf by 50%. Oil prices, however, remained stable.

Although Tehran threatened to include reflagged Kuwaiti ships in its attacks, two U.S.-protected convoys made their way through the gulf unmolested while the new tanker war raged around them. As they proceeded, yet another flotilla of U.S. warships sailed into the Gulf of Oman. The arrival of the battleship U.S.S. *Missouri* and five escort vessels brought the total U.S. naval force in the region to 46 ships. The Western armada may soon exceed 60 ships when additional British and French vessels arrive. And last week Italy announced that it was sending a naval task force to the gulf to protect its merchant shipping.

In Washington, the reaction to the Iraqi resumption of the tanker war was thinly disguised exasperation. After the initial Iraqi air attacks, Richard Murphy, Assistant Secretary of State for Near Eastern Affairs, summoned Iraqi Ambassador Nazir Hamdon to his office for a firm dressing down. Under Secretary of State Michael Armacost later summed up the U.S. view by saying the Iraqi action was "very regrettable, extremely unfortunate." The timing of the raids was "deplorable," he said, both because they create a new threat to U.S. warships in the gulf and because they came at a moment when Iran had for the first time begun sending signals that it might cooperate with the U.N. effort to broker a cease-fire.

Washington had plenty of reasons to be impatient with Baghdad. After all, it was Iraq that started the war by attacking

Iran in 1980, and it was Iraq that expanded the fighting into the Persian Gulf in 1984 by initiating the tanker war, thus endangering international oil shipments. The U.S. became an inadvertent victim of the last phase of the tanker war when on May 17 an Iraqi Exocet missile hit the cruiser U.S.S. *Stark*, killing 37 American sailors. The incident increased Administration resolve to protect neutral shipping in the gulf by reflagging and escorting the Kuwaiti tankers. Said one U.S. official in Washington: "Iraq owes us in the gulf. It owes us the U.S.S. *Stark*."

Though Baghdad claims otherwise, the Iraqi sorties have only temporarily



Repairing a Japanese supertanker hit last week
Pressure on both sides to exercise restraint.

and sporadically impeded Iran's oil shipments and have not hampered its ability to finance the conflict. Moreover, by renewing the tanker war now, said Assistant Secretary Murphy, Iraq is giving up the moral high ground to the Iranians, who can claim that Iraq's actions threaten the U.N. peace effort.

American critics of the Iraqi attacks received strong backing from London. Foreign Minister Sir Geoffrey Howe said he told Iraq's chargé d'affaires in London that Britain was "dismayed" at the "dangerous escalation" of the war. When the chargé, Abdul Said, responded that Iraq supported the U.N. peace effort, Howe told him that Baghdad should see that its actions "meet its words."

If the message from Europe was clear, the public word from Washington ended up sounding confused and ambivalent. Even while denouncing the Iraqi escalation, Armacost added that it was "under-

standable" in terms of Baghdad's military interests. This expression of sympathy was anonymously echoed by other officials in both the State Department and the Pentagon. One U.S. Government observer pointed out that Baghdad's air superiority "is the only advantage Iraq has in the war. If they lose this, their whole country goes up." A Pentagon source said, "This is realpolitik at its crassest, but anything that puts pressure on Iran is good, and that specifically includes air strikes at petroleum and economic targets."

For the record, State Department Spokeswoman Phyllis Oakley insisted that the U.S. is neutral in the war and that the Iraqi attacks were indeed to be deplored. Baghdad responded belligerently, issuing a statement early in the week that it found the U.S. protest to be "regrettable and astonishing." As Ismat Kittani, Iraqi Ambassador to the U.N., said, "The question is, How long would you expect Iraq to be restrained while Iran has no intention of restraining its efforts?" Ambassador Hamdon told the New York Times, "Iraq never promised anybody we were going to stay idle for a specific time. We share the Americans' concern, but we have the right to decide our own policy."

At the U.N., there was increasing pressure on both sides to exercise restraint. On Wednesday, Secretary-General Pérez de Cuéllar disclosed that he had received an invitation to visit Tehran to discuss peace. The five permanent members of the Security Council—the U.S., Britain, France, the Soviet Union and China—approved a Pérez de Cuéllar visit to both warring capitals, but with conditions: talks must be confined to the July 20 resolution, and there should be a complete cease-fire on land, sea and air during the Secretary-General's visit.

At the same time the Security Council agreed to extend last Friday's deadline for an Iranian response to the resolution, which calls for a cease-fire, withdrawal of both sides to their pre-1980 borders and appointment of an independent commission to assess responsibility for the war. The U.S. had said that if Iran did not agree to abide by the resolution by the deadline, it would seek a global arms embargo against the Tehran government. That threat was withdrawn last week, but U.N. Ambassador Vernon Walters warned, "If the Secretary-General returns from Tehran empty-handed, we will not hold off any longer."

The latest escalation of hostilities in the gulf may have caused enough anxiety in the chanceries of Moscow, Peking and other Security Council members to inspire new pressure for a solution to the war. The question is whether that pressure can succeed before some of the gulf's flying bullets go astray and end up drawing U.S. forces into the conflict.

—By Michael S. Serrill
Reported by David Altkman/Washington and Dean Fischer/Abu Dhabi

World

THE PHILIPPINES

When the Cheering Stopped

A coup attempt behind her, Aquino tries to regain momentum

Escorted by a 13-vehicle motorcade of the presidential security guard, Corason Aquino made her way through Manila's rain-slicked streets into suburban Fort Bonifacio. Immediately after she entered its precincts, tanks and heavy artillery sealed off the sprawling headquarters of the Philippine army. Only three days earlier, military rebels had come close to toppling the President. Now, on National Heroes' Day, she was determined to talk tough. Speaking to a television audience from the Tomb of the Unknown Soldier in the fort's Graveyard of Heroes, she excoriated the mutineers as "traitors and murderers." She declared that troops loyal to her had taught the rebels "their most bitter lesson. And we shall do it again if they want."

The President's strong words did not dispel a certain nervousness among the officials and diplomats who came to hear her. Many were momentarily startled when an army artillery squad fired the ceremonial 21-gun salute. They had reason to wince. The uprising had been bloody: 22 civilians, twelve loyalist soldiers and 19 rebels dead, with more than 300 injured, including Aquino's only son Benigno ("Noynoy"), 27. Perhaps more distressing, the coup attempt has exposed a deep vein of military dissatisfaction with the Aquino government, which has been bedeviled by a growing list of economic, administrative and, some allege, moral deficiencies.

As the initial euphoria over Aquino's surviving the revolt began to fade, the government found itself confronted with yet another problem. The mutiny's charismatic leader, Colonel Gregorio ("Gringo") Honasan, 39, and as many as 2,000 followers were still at large. Last week they announced the formation of a fugitive junta and promised to challenge Aquino for control of the country. Moreover, a majority of the armed forces who remained loyal to the President nonetheless appeared sympathetic to Honasan's cause. Aquino thus found herself in a delicate position: if she does not deal firmly with the rebels, they and other potential plotters

could be encouraged to try again; yet, refusing to acknowledge Honasan's grievances could turn the armed forces against her.

At the height of the coup attempt, Honasan used his brief moments on television to advocate military revitalization and accuse Aquino of being soft on the guerrillas of the Communist New People's Army. He castigated the government for neglecting the lot of the common soldier, who earns a modest \$75 a month, including a daily food allowance of 60c. The troops must also endure inadequate equipment, medical supplies and even death benefits while fighting the N.P.A.

After hearing impassioned pleas from General Fidel Ramos, the armed forces chief, and Defense Secretary Rafael Nieto,

the President and her Cabinet last week agreed to sponsor a bill in Congress that would raise military salaries by 60%. Aquino also tried an old ploy: reaching for the halo of political sainthood. Playing on the meaning of *corazon*, she called herself the "heart of the republic" and said the rebels' aim "was clearly to kill the President and her family." Of Honasan's goals, she said, "Let not idealism be used to cover the darkest crimes and ambitions of men whose actions only show their hatred of democracy and their contempt for the lives of others."

The rebels struck back with some rhetoric of their own. In a one-page statement released to journalists shortly after Aquino's speech, they proclaimed the existence of their junta, presumably based in Luzon, the country's largest island. The mutineers accused Aquino of "treason" and proceeded to enumerate her government's failings: showing leniency toward Communists, declaring war against its own

armed forces, allowing corruption to flourish, keeping antimilitary leftists in the Cabinet and being generally inept. In reply, Presidential Spokesman Teodoro Benigno scoffed that the junta did not control "even one square inch" of territory.

Indeed, the rebels lacked so much as a whiff of support from the Roman Catholic Church and the business community, without which no junta could hope to undermine Aquino's immense popularity. But while the charges against the government were an obvious smokescreen for Honasan's ambitions, they served again to remind many Filipinos of Aquino's shortcomings. The rebels, admits Haydee Yorac, a member of Aquino's commission on elections, "are riding on legitimate issues that should be addressed."

While Aquino's personal probity remains beyond question, corruption within her government has been an embarrassment to her Jaime Cardinal Sin, whose support helped bring Aquino to power 18 months ago, blasted the government last week for its tarnished reputation. "We thought corruption would end with the fleeing of the ousted dictator Ali Baba," he said, referring to Ferdinand Marcos. "Yet there are still 40 thieves around."

The rebels' charge of ineptitude also cuts deeply. If the past few months



Military bearing: the President strikes a salute at Fort Bonifacio

She must punish the mutineers yet acknowledge their grievances.

Aquino's supporters have tried to rouse the President into taking firm action on a wide range of issues, including land reform, the Communist insurgency and the regulation of foreign investment. In almost all cases, Aquino has chosen to delay decisions, pass on responsibility to Congress or simply ignore the problems. The President has been faulted even by friends for reacting to crises by "praying and delaying." Of her survival, she said last week rather fatalistically, "If the country needs me, God will spare me."

One issue that Aquino must quickly face is the fate of 1,000 captured rebels being detained aboard naval vessels in Manila Bay. Participants in the four previous uprisings against her have generally been let off lightly, but U.S. officials are counseling firmness this time. "Heads have to roll," says a Pentagon official. Already the President may be wavering. The government even seemed to be backing off from its earlier order to shoot Honasan on sight. And though she had earlier said the time for reconciliation had passed, last week Aquino almost seemed to be providing alibis for many of her prisoners. "When we interviewed the captives," Aquino said on television, "we found that the enlisted men had been told that they were on a test mission." She said others were misled into thinking the presidential palace was under attack by the N.P.A.

With military helicopters unsuccessfully fanning through the countryside for a sign of him, Honasan proved that even in hiding he can send jitters through Manila. The city's booming stock exchanges opened for the first time since the coup attempt and fell sharply. Hearing rumors of new revolts and troop movements, Congress nervously adjourned. Officials fear that Honasan may continue to discomfort the government simply by leaking wild tales to the city's circulation-mad newspapers. Late last week Honasan released a taped message calling the mutiny's toll "regrettable and inexcusable" but claiming that the rebels had pulled their punches to save more lives.

Elsewhere, Honasan's rebellion made itself felt in more tangible ways. In the northern city of Baguio, 600 cadets at the Philippine Military Academy staged a three-day hunger strike in sympathy with Honasan. The N.P.A., declaring its intention to take advantage of the confusion caused by Honasan's revolt, killed 27 police and soldiers in an ambush in two provinces. Though Aquino has called Honasan a coward for abandoning hundreds of his men, his image as a dashing, reform-minded renegade could establish him as a folk hero to rival the President. "That young man should be shot," says David Steinberg, a leading U.S. authority on the Philippines. "Cory can't leave that decision to the Almighty." Some of her fellow citizens were wishing she would adopt a less otherworldly policy for all her deceptions.

—By Howard G. Chua-Eoan

Reported by Jay Brangan and Nelly Sindayee/Manila, with other bureaus

SOUTH KOREA

Two Steps Forward, One Back

Free elections are scheduled, and new violence breaks out

The two men met amid all the fanfare normally reserved for a summit between rival heads of state. On one side stood Roh Tae Woo, head of South Korea's ruling Democratic Justice Party, with a smile seemingly frozen on his face. Beaming just as hard and warmly clapping Roh's hand was Opposition Leader Kim Young Sam. After an extended burst of camera clicking, the longtime antagonists sat down in the National Assembly's VIP restaurant to discuss the business at hand: a proposed amendment to the country's constitution. When they rose from their first substantial meeting nearly three hours later, the face of South Korea

putes continue to fester following a rash of strikes that first broke out in July. At a Hyundai Heavy Industries shipyard in Ulsan, where walkouts resumed after wage talks collapsed, a striker died and three others were seriously injured when a driver, whom they had beaten, got back into his truck and ran them over. Some 13,000 strikers occupied the yard, smashing windows, setting fire to cars and battling riot police. Late in the week police raided Hyundai and a second occupied plant and dragged away 200 strikers. Alarmed by the disturbances, Kim and Roh vowed to push for revision of South Korea's labor laws, which largely favor management.



Back to school: a university student hurls a fire bomb to protest the Chun regime

an politics had turned firmly in the direction of democracy.

The constitutional compromise, which reflects months of negotiations, calls for direct elections of the country's President for a single five-year term. Since 1971 all candidates have run unopposed. If the measure is approved by the National Assembly and accepted by the country's voters, as is expected, elections would be held by Dec. 20.

President Chun Doo Hwan, who retires in February, had favored an electoral college system that his party could control. But Roh, Chun's hand-picked choice as his party's candidate, gave in to popular demands for free elections after a wave of student protests last spring. Roh stood fast, however, on a number of other demands made by opposition leaders. He refused to agree to lower the voting age from 20 to 18 and rejected calls to establish a popularly elected office of Vice President.

Even as Roh and Kim chatted amiably last week, the optimistic mood was disrupted by labor violence. More than 700 dis-

Adding to the unrest were students, who returned to universities last week after a summer recess. Some 4,000 demonstrated at Seoul National University on the first day of classes, and several hundred clashed with police at the school gate. Authorities estimated that more than 9,000 students demonstrated at 20 colleges nationwide, reflecting the continuing demand for political reforms.

Still to be decided, meanwhile, is the main opposition candidate who will face Roh in December. The contenders are Kim, who heads the Reunification Democratic Party, and Kim Dae Jung, the party's chief adviser. Though Kim Dae Jung had initially vowed not to run, he is now sounding out power brokers on whether to enter. The two Kims know that a fight between them could divide their supporters and assure victory for Roh. Says Kim Dae Jung: "All I can say now is that the opposition will come up with a unified candidate and one who will win."

—By John Greenwald, Reported by Barry Hillebrand and K.C. Hwang/Seoul

World



Model of youthful composure: the defendant testifies before the Supreme Court in Moscow

SOVIET UNION

Four Years for a "Fun" Flight

Rust draws a stiff sentence for his Red Square lark

The defendant in the third-floor chamber of Moscow's Supreme Court building was the very model of youthful sobriety: hair neatly trimmed, blue suit and tie immaculate, testimony carefully punctuated by respectful expressions of "please" and "if I may." But several times in the course of his three-day trial last week, 19-year-old Mathias Rust came close to abandoning his otherwise expressionless demeanor. It happened whenever witnesses described his spectacular arrival in Moscow last May 28, when, after single-handedly piloting a Cessna 172 across 500 miles of heavily guarded Soviet territory, Rust buzzed the Kremlin and landed just off Red Square in the heart of the Soviet capital. On those occasions, Rust could not help allowing the beginning of a smile to flicker across his face.

But Rust's feat, which made headlines around the world and turned the West German teenager into a folk hero at home, had never been a laughing matter to the Soviets. At the conclusion of last week's trial, Judge Robert Tikhomirov and two lay jurors found Rust guilty of illegal entry the Soviet Union, violation of international flight rules and "malicious hooliganism." He was sentenced to four years in an unspecified labor camp. After hearing the verdict, Rust conferred briefly with his mother and father, who had flown to Moscow from their home near Hamburg to attend the trial. Speaking to a Soviet TV interviewer about his sentence, Rust said, "I was prepared for it."

Rust and his court-appointed defense attorney Vsevolod Yakovlev, who communicated with his client in German, did not dispute the charges of illegal entry and flying violations. But Rust claimed

that the purpose of his daring journey was a sincere, if misguided, quest to promote world peace. "I had hoped to have the possibility of meeting the Soviet leadership, especially Gorbachev, to tell him my thoughts," he told the court. "My chief aim was to make an impact on world opinion." In retrospect, he admitted, the trip was "the biggest mistake of my life," but, he insisted, "it was not hooliganism."

The prosecution sought to portray Rust as a joyriding delinquent who recklessly endangered pedestrians in Red Square with a show of aerial acrobatics. Prosecutor Vladimir Andreyev produced a deposition from a West German tour guide claiming that Rust had told him the trip had been "for fun"—which Rust denies having said—and testimony that some of his flying passes came within 15 ft. of the ground.

The Soviets permitted relatively free press coverage of the trial, though TV access to the proceedings was limited to the Soviets' state-owned television system. Western diplomats had predicted before the trial that Rust would receive a fairly stiff sentence as a deterrent to other would-be adventurers. Soviet observers also pointed out that Rust's exploit had triggered the dismissal or forced retirement of a string of military officials, including Defense Minister Sergei Sokolov, virtually guaranteeing that his case would be handled with gravity. Privately, however, West German officials held out hope that the daring youth might be released after serving only a small part of his prison term. Said one Western diplomat: "They will probably keep him until the world has pretty much forgotten, and then send him home quietly."

—By William R. Doerner.

Reported by James O. Jackson/Moscow

SOUTH AFRICA

Striking Figure

The rise of a miner's grandson

The 21-day walkout had just ended, but Cyril Ramaphosa could not slow down. The general secretary of the National Union of Mineworkers was in his Johannesburg office at 7 a.m. to arrange for the reinstatement of 37,000 workers who had been fired during the strike. An hour later, Ramaphosa received shocking news: an explosion at the St. Helena gold mine in the Orange Free State had killed ten miners outright and snapped an elevator cable, sending at least 52 other workers plunging to their deaths. For the rest of that day and into the night, Ramaphosa received almost hourly reports on the futile efforts to reach the crushed elevator more than 4,000 ft. down the mine shaft. At the same time, he meticulously planned for Tuesday's negotiating session on the rehiring of the fired workers.

Long hours and deep compassion for his men are typical traits of Ramaphosa, 34, a black lawyer who has emerged as South Africa's newest political star. In the five years since its founding, the black union he heads has grown into the 210,000-member force that last month engaged South Africa's gold and coal mine-owners in the nation's longest strike. While the union angered some members by settling for the same package of 15%-to-23% pay raises that the companies first offered, the strike marked a turning point in black-white labor relations. Calling the walkout a "dress rehearsal" for a strike next year, Ramaphosa pledged to "continue our fight for a living wage until all our demands have been met, and 1988 is the year that we will receive what is demanded."

The grandson of a miner and the son of a policeman, Ramaphosa grew up in Soweto, the sprawling black township outside Johannesburg. He says his greatest regret is that he never worked in a mine. Instead, he entered law school in 1972, though he did not graduate until nine years later. In the meantime, Rama-



New star: the leader during the walkout

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AMERICAN EAGLE GOLD & SILVER BULLION COINS 

World

phosa was busy helping to lead the Black Consciousness movement, whose charismatic young founder, Steve Biko, died in 1977 of injuries sustained while in police custody. Ramaphosa headed the university section of the South African Students Organization, a radical umbrella group that gave rise to several militant student factions that remain active today.

Arrested in 1974 for organizing a rally for rebels in Mozambique, Ramaphosa spent eleven months in jail. He was held for six more months in 1976 under the Terrorism Act, one of a battery of South African laws aimed at cracking down on dissidents. Since then, Ramaphosa has moved away from the Biko philosophy that only blacks have a role to play in overthrowing apartheid and toward the view that all racial groups should join in ending the system.

Two years after the government gave full recognition to black unions in 1979, Ramaphosa collected his law degree and joined the legal staff of the Council of South African Unions, a black labor organization that was trying to form a national black miners' union. Ramaphosa became the mine workers' general secretary the following year and learned a string of hard lessons when he led three strikes that lasted no longer than 48 hours each. Yet the union's membership grew steadily, and its tactics became bolder. Said Johannesburg's *Business Day* of last month's walkout: "The union demonstrated an impressive and growing ability to organize and control large-scale industrial action."

A cool bargainer with a deep, soft voice, the stocky Ramaphosa wears warm-up jackets and open-necked shirts to work and is equally comfortable amid the jumble of miners' hostels and seated at the bargaining table in posh hotels. "I have the highest regard for him," says Johann Liebenberg, chief negotiator for the Chamber of Mines, which represents the mineowners. "He is very astute and sophisticated—a very capable leader." Liebenberg describes Ramaphosa as a shrewd negotiator who is adept at changing moods, from affability to iciness and back again, as the situation warrants.

Ramaphosa is in favor of a socialist economy and calls for state ownership of South Africa's mines. Though his vigor and visibility would seem to propel him toward the front ranks of anti-apartheid politics, he has so far steered clear of such larger aims. He has, for instance, kept the mine workers out of the United Democratic Front, the anti-apartheid political organization that includes several other black unions. In any case, the workaholic Ramaphosa might have difficulty finding time for politics. The black daily *Sowetan* once noted that while Ramaphosa's marriage ended in divorce, "he now seems married to the union, and that is working out."

—By John Greenwald

Reported by Bruce W. Nelson/Johannesburg

HISTORICAL NOTES

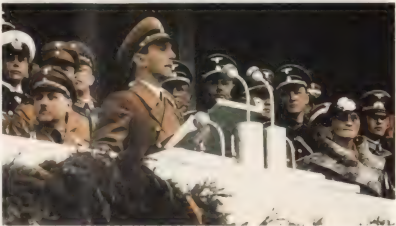
Jottings from the Third Reich

Goebbels' diaries shed new light on Hitler's inner circle

"May this book help me to be clearer in spirit, simpler in thought, greater in love." Unlikely as it may seem, so begin the voluminous diaries of one of modern history's most diabolical figures: Joseph Goebbels, Minister of Propaganda for the Third Reich. Despite these noble intentions, the entry soon reveals the ugly disposition of the man who became a fanatical member of Adolf Hitler's inner circle. Jews, fumed the 26-year-old Goebbels, "suck the blood from our veins. [They are] scoundrels, traitors...vampires."

Glimpses of Goebbels' extensive

content jibes with existing historical records. Forensic tests have turned up no evidence of fraud. Still, some details are unexpected. In an entry from 1929, Goebbels frets that "Hitler is too soft, he doesn't work enough," and is concerned that Germany's future leader may do "too much womanizing." Another entry suggests that the burning of the Reichstag in 1933 surprised Hitler's circle. Though Goebbels' account may be disingenuous, the passage is likely to fuel the continuing debate as to whether or not the arson was a Nazi ruse. Elsewhere, Goebbels dismiss-



The Minister of Propaganda attends the opening of the 1936 Olympic Games in Berlin

From a religious, literary-minded young Catholic to a zealot whose god was Hitler.

chronicles have dribbled out piecemeal over the past 39 years, but late last month readers had their first comprehensive look at the Nazi's early writings with the publication of four volumes, running to 2,841 pages, by Munich's Institute of Contemporary History. Last week a few tantalizing excerpts appeared in the West German weekly *Der Spiegel*. The journals, dating from 1924 to early July of 1941, record Goebbels' development from a deeply religious and literary-minded Catholic youth, who saw his diaries as a "substitute for the confessional," to a zealous political organizer whose sole faith was in Adolf Hitler. Six further volumes, to be published in the next three years, will compile Goebbels' later writings. They cover the remaining war years right up to May 1, 1945, the day Goebbels and his wife killed their six children and then themselves rather than surrender to the Red Army as it swept through Berlin.

Ever since the Hitler diary scandal of 1983, scholars have been leery of late-surfacing relics from the Third Reich. But academicians seem to agree that these diaries are authentic. Goebbels is known to have kept meticulous journals, and the

es Churchill as a "degenerate genius, therefore not too dangerous," and six days before Germany's invasion of the Soviet Union, he predicts that Bolshevism will fall "like a house of cards."

No less fascinating than the diaries themselves were Goebbels' efforts to protect them. As the British bombed German cities, he had 20 clothbound notebooks placed in a bank vault. Later he had the entire inventory put on microfiche. In the final days of the Third Reich he arranged for several volumes to be brought to his underground bunker, determined even then to preserve his version of history.

While unlikely to revolutionize modern understanding of the Third Reich, Goebbels' diaries are certain to prove of great historical interest. "After 1945, people liked to think that Hitler himself was the bearer of guilt for everything," says History Professor Hans Mommsen of the University of the Ruhr in Bochum. "Books like these let us look at the period more matter-of-factly." And offer some insights into the frighteningly matter-of-fact ways in which the Führer's subordinates worked.

—By Jill Smolowe

Reported by James L. Graft/Munich

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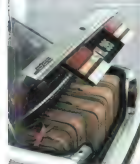


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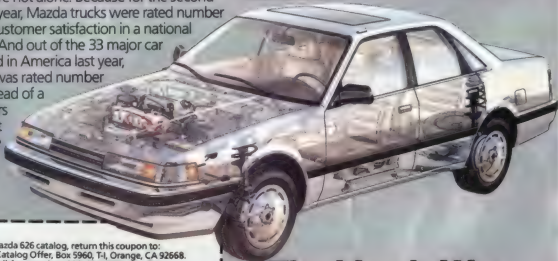
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World

LANGUAGE

Troubles of a Tongue en Crise

A Quebec summit lays plans to keep the world speaking French

On Wednesday afternoons when school is not in session, French children can tune in a popular TV game show that has no American parallel. The program confronts young contestants with invidious English expressions that have infiltrated common parlance and invites them to concoct substitutes in their own language. Some of the prizewinning neologisms: for milkshake, *moussait* (literally, milk foam); for hot dog, *saucipain* (sausage bread); for fast-food outlet, *resta-powee* (quick-bite restaurant). Outsiders often dismiss such exercises as evidence of France's obsession with maintaining the purity of its beloved tongue, especially against the encroachments of English. But lately the guardians of the linguistic heritage of Voltaire and Racine have been voicing a more serious concern: whether French might cease to be an international language altogether.

Worldwide, French is the first language of some 109 million people, fewer than those who primarily speak English (403 million), Spanish (266 million) or even Portuguese (154 million). Fifty years ago, British Writer W. Somerset Maugham correctly called French "the common language of educated men." Today that distinction incontestably goes to English in the fields of science, technology, economics and finance, not to mention movies, rock music and air travel. As French President François Mitterrand said last year, "France is engaged in a 'war' with Anglo-Saxon."

Last week Mitterrand and French Premier Jacques Chirac took up the battle in Quebec City at the Second Annual Francophone Summit. The meeting brought together representatives of 38 countries that use French as a primary or secondary language, including Belgium, Switzerland, Canada and former French colonies in Africa, Latin America, the Caribbean and the Pacific. While the concept of a union of French-speaking communities was developed 20 years ago, not until last year did Paris acknowledge its dependence on this fraternity to bolster the mother tongue by convening the first such summit in Paris. This time around, the French left no doubt as to their commitment to the cause. Chirac pledged to spend \$30 million on a host of French-language projects, twice last year's allocation. Among the ventures to be funded, a French-language theater festival to be held this year in Limoges, a TV news agency covering French-speaking lands, and the first "Francophone international athletic games," set for Morocco in 1989.

The French have always struggled to keep their language pure, but in recent years the effort has become a top national priority. The Paris government now

boasts a Secretary of State for Franco-phone Affairs. The country also has what amounts to a language patrol. Since 1977 the General Association for the Users of the French Language has won modest civil-court damages from some 40 companies and other groups for violating a 1911 law that forbids the use of English words in the conduct of business when French equivalents exist. Among the offenders: Trans World Airlines, which had issued boarding passes only in English.

Nowhere is the battle to uphold French more heated than in the fields of science, commerce and high technology, which are dominated the world over by English. "Our technical contribution," the newsmagazine *Le Point* recently lamented, "stopped with the word *chauffeur*." To strike back, committees have been formed by industrial and educational groups to create new French words for every modern occasion. Thus, a Frenchman now listens to his *baladeur*, rather than a Walkman, and plans vacations according to his *partage de temps*, and not his

time-share. While some of the expressions are felicitous—the computer term random-access memory becomes simply *mémoire vive* (live memory)—some are decidedly clumsy. Computer hardware is vaguely called *matériel*, and the futures market has become *le marché de contrats à terme* (limited-term contract market). But, insists Mitterrand, "either our language is in the computer data base or it ceases to be one of the great methods of communication in the world."

Not all the French are enthusiastic about such campaigns to maintain linguistic purity. Languages must evolve to survive, argues Author Jean-François Revel, and much of the resistance to the influx of foreign words is thinly disguised "French xenophobia." Indeed, French has long been enriched by English expressions (not to mention such charming Anglo-French jumbles as *le smoking* for a tuxedo), just as English has absorbed such words as *bouquet* and *carrousel*. Others believe that the invasion of English is inevitable, especially in technical and business fields, and urge that more Frenchmen give in and learn to speak it. Says French Foreign Trade Minister Michel Noir: "We would certainly be taken more seriously if we became *Anglistes*." —By William R. Doerner.

Reported by William Rademakers/Paris



Illustration for TIME by Pat O'Flaherty

Economy & Business

COVER STORY

For Sale: America

From Manhattan's high-rises to Oregon's forests, the big buyout is on

"Everything here is so cheap!"

—A Japanese real estate agent visiting Manhattan

"The political issue of the 1990s is going to be the foreign invasion of the U.S."

—Paul Krugman, M.I.T. economist

It was an unlikely stop for sightseers, but there they were: two carloads of serious-minded, dark-suited Japanese in a deserted parking lot in Chattanooga, Tenn. Each carrying a packed briefcase, the visitors gazed long and intently at the object of their interest: a rusted, run-down manufacturing plant as big as five football fields. The plant was obsolete and abandoned, but the Japanese were delighted by their discovery. Taking pains to conceal their satisfaction, they peered into the distance and busily scribbled in their notebooks. Later, after several trips back, they bought the forlorn plant. Today, after a \$27 million investment, the refurbished factory has become a manufacturer of heavy earth-moving equipment for Japan's huge Komatsu conglomerate.

Such scenes are taking place all over

America today, as other foreign scouting parties comb the highways and byways on the lookout for profitable finds. The searchers are Japanese and British, Canadian and South Korean, West German and Swiss, and all of them have one thought in mind: Buy! Buy! Buy! They are in search not only of factories but also of skyscrapers, shopping malls, farms and forest land, ski resorts and vineyards, refineries and mineral deposits. They have already bought some of the biggest and best-known corporations in the U.S., and their appetite appears to be gargantuan.

Suddenly, the U.S. seems to have become a country for sale, a huge shopping mart in which foreigners are energetically filling up their carts. Result: foreign ownership in the U.S., including everything from real estate to securities, rose to a remarkable \$1.33 trillion in 1986, up 25% from the previous year. By contrast, in a complete reversal of the situation only a decade ago, U.S. holdings abroad now total only \$1.07 trillion. In addition to spurring fabulous hikes in real estate values and igniting corporate takeovers, the wave of foreign purchases has become an important force behind

Wall Street's stratospheric bull market.

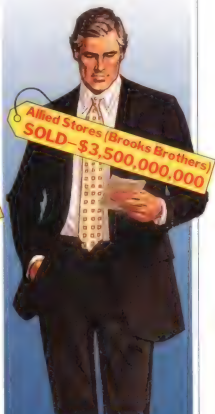
Never before have U.S. citizens witnessed so many familiar American landmarks and trademarks passing into foreign hands. Japanese investors last December bought the Exxon headquarters building in Manhattan's Rockefeller Center for \$610 million, the highest price ever paid for a Manhattan skyscraper. The British, who burned Washington in 1814, have now built or bought an estimated \$1 billion in District of Columbia property, including part ownership of the famed Watergate complex. Esteemed U.S. corporate nameplates are also



SWITZERLAND



WEST GERMANY



CANADA

changing citizenship at a rapid clip. Doubleday books has gone to the West Germans, Brooks Brothers clothers to the Canadians, Smith & Wesson handguns to the British. Chesebrough-Pond's consumer products to a Dutch-British combine. General Electric television sets have been bought by the French. Carnation foods by the Swiss. General tires by the West Germans.

In fact, the question of what constitutes a truly American icon has become befuddling. A Sohio gasoline station? British Petroleum owns that company now. An Allis-Chalmers farm tractor? The West Germans manufacture those. Ball Park franks are owned by a British conglomerate; so is French's mustard. The take from Las Vegas' Dunes Hotel and Country Club, one of the best-known American gambling and entertainment centers, will soon go to its new Japanese owner. The latest hit recording by Country Singer Kenny Rogers is a foreign-owned product; his record label, RCA, is now West German property. And what about breakfast (or a diamond ring) at Tiffany, or drinks in the literated atmo-

sphere of Manhattan's Algonquin hotel? Those vintage landmark buildings are now Japanese possessions.

The foreign buying spree has inevitably become controversial. How does foreign investment affect America's industrial strength and ability to compete? Just how much overseas investment is good for the country, and how much of America should foreigners be allowed to buy? What other kinds of control might follow? What will happen if nothing is done to stem the buying tide? Warns Lawrence Brainard, chief international economist for Manhattan's Bankers Trust: "By the end of this century, the U.S. may have the most modern manufacturing sector in the world, but it won't own it." Says Democratic Representative John Bryant of Texas: "America has been selling off its family jewels to pay for a night on the town, and we don't know enough about the proud new owners."

The proud new owners know a good thing when they see it, and the reasons for their rush to buy are abundantly clear. To start with, U.S. properties are going for unprecedentedly low prices because of the fall of the dollar. The U.S. currency has plunged some 40% in value during the past two years against such major foreign currencies as the Japanese yen, the West

German mark and the British pound. The result is that while prices of real estate and commercial properties may seem high to most Americans, everything with a dollar-denominated price tag looks like a tremendous steal to holders of other, stronger currencies.

At the same time, America's industrial rivals are flush with cash, either their own savings or the billions of dollars that import-hungry U.S. consumers have been spending on Japanese video gear, South Korean appliances and West German autos. Those wealthy nations are eager to use this money to tap the \$1.3 trillion U.S. marketplace, where immense diversity and opportunity act as both a model and a magnet for the rest of the world. In addition, foreigners are eager to gain access to the advanced fruits of American research and technology, as well as to enjoy the benefits of U.S. rates of corporate taxation, which are appreciably lower than elsewhere.

Buyers from overseas are especially attracted by American political stability, which is particularly alluring to those with long-term investment prospects in mind. And foreign investors continue to be impressed by the wide-open nature of the American economy and the freedom of its capital and equity markets. Says a Japanese banker in Tokyo: "We are amazed at the way Americans are willing

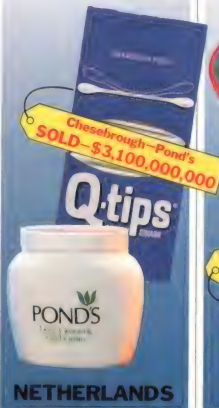


Smith & Wesson
SOLD—\$112,000,000

SOHIO
SELF-SERVE

Standard Oil
SOLD—\$7,600,000,000

BRITAIN



Chesebrough-Pond's
SOLD—\$3,100,000,000

Q-tips

POND'S

NETHERLANDS



DUNES

Dunes Hotel and Country Club
SOLD—\$157,700,000

THE COMEDY STORE

JAPAN

GORDON WHITE



The bold Briton has seized eight U.S. companies employing more than 35,000 Americans. Among the brands he controls: Endicott Johnson shoes, Smith-Corona typewriters and Ball Park franks



to sell out their companies. In Japan, owners of companies hold on for life."

The foreign shopping bender signals a major transformation in America's global economic role. For nearly four decades following World War II, the U.S. did the buying, savoring its role as the globe's foremost exporter of capital. U.S. investment power was so great that in 1968 French Economics Journalist Jean-Jacques Servan-Schreiber predicted that American multinational companies like IBM and TTT threatened to turn Western Europe into an economic province. Concern about foreign cash flowing into the U.S. arose briefly in the 1970s, when a weak U.S. dollar and the emerging clout of OPEC prompted fear of an Arab buying spree. By and large, however, the cautious oil sheiks steered their petrodollars into bank accounts and securities portfolios rather than toward the bricks and mortar of U.S. real estate and corporations.

But after years of mammoth U.S. budget and foreign-trade deficits, the situation today is radically different. The buying of America has virtually turned into an industry of its own, with sharp-eyed advance crews scouting out the country's most attractively undervalued treasures, researchers typing up thick intelligence reports on U.S. acquisition targets, finance teams huddling with investment bankers in Tokyo, London and elsewhere, and blue-chip law firms constantly at work drafting reams of tender offers, prospectuses and sale documents.

Foreign bargain hunters often pour enormous effort into their shopping. Michael Dornemann, a director of West Germany's Bertelsmann communications giant, flew to the U.S. more than 50 times over the past three years while deciding how his company should spend its \$1 billion American shopping budget. Often taking the morning Concorde from Paris in order to put in a full day's work in the states, Dornemann visited more than 20 U.S. companies before choosing his recommended tar-

gets: Doubleday publishing and RCA records. The possibility of snagging both was considered so unlikely that he and his boss, Bertelsmann Head Mark Wössner, 48, had called it their "extreme case."

Nonetheless, they turned all their persuasive powers on Publisher Nelson Doubleday and GE Chairman John Welch, offering them hefty prices and even giving the GE boss a lecture on corporate strategy. (Says Wössner: "We told him that music was too far away from electric motors and rockets.") Then Wössner tried another tack. In separate meetings one day last September, he recalls, he gave each American executive the impression that the West Germans could afford to buy only one of the two companies. "Either you sell to us, or we'll go to the others," warned Wössner. By the end of that day, the Germans had won both prizes. Total price for the double-barreled victory: \$805 million.

Foreign shopping fever reaches even into the country's remote fastnesses. When the brash British raider Sir James Goldsmith calculated that U.S. timberland was becoming a tempting prize, he launched a \$500 million takeover bid at San Francisco's Crown Zellerbach paper company in order to grab the corporation's vast forests. As a result of the 1985 takeover, Goldsmith now owns 1.9 million acres of American forests in Washington State and Oregon.

Equally sharp-eyed Canadian mining companies have snapped up the rights to some 40% of the new gold-digging projects in Montana, Nevada and other Western states. In Northern California, foreign investors have picked up more than two dozen of the region's 300 wineries, among them the Almadén label (now British) and the St. Clement Vineyard (Japanese). In Alaska, Japanese investors control more than one-third of the state's \$680 million seafood-packing industry. U.S. farmland might be a bigger target for raiders, except that more than two dozen states have imposed controls or bans on foreign ownership.

Despite the shopping spree, however, the value of U.S. property under foreign control is still only a tiny fraction of America's immense total. (The estimated value of all U.S. residential dwellings alone comes to some \$6 trillion.) But foreign holdings have grown surprisingly large in many lucrative, and occasionally sensitive, spots. Foreign investors now own 46% of the commercial real estate in downtown Los Angeles, for example, according to a survey by the Coldwell Banker Real Estate Group. In downtown Houston, the foreign-owned tally is 39%; in Minneapolis 32%; and in Manhattan 21%.

With so much overseas demand for high-profile U.S. commercial property, competing foreign bidders practically bump into one another at airports. To increase their already considerable bargain-

ROBERT CAMPEAU



Swooping down from the north, the Canadian real estate baron paid \$3.5 billion for New York City's Allied Stores, a retail giant whose holdings include several major U.S. shopping centers and Brooks Brothers clothes



ing power, many would-be buyers go to striking lengths to conceal their ultimate intentions. The Japanese Komatsu executives who went shopping in Tennessee for a factory kept their state government hosts completely in the dark about what they actually wanted. After a tour of the 1940s-era structure that eventually housed their heavy-equipment concern, the Japanese pronounced it "very dull and scary, very gloomy," recalls John Gregory, a Tennessee official who escorted the group. When the Komatsu executives suddenly announced that they were buying the abandoned plant, says Gregory, "it kind of threw us for a loop."

Japanese businessmen are throwing the U.S. for a loop in a number of ways. Japan, the world's largest creditor country, where consumers save 17% of their earnings (vs. 4% in the U.S.), has the mightiest bankroll of all to engage in buying America. Bereft of enough investment opportunities at home to absorb their astonishing pile of savings, the Japanese are hungrily looking abroad for places to park the excess cash. Japan's direct investments in U.S. real estate and corporations reached \$23.4 billion at the end of 1986, a jump of about 18% from the previous year. Predicts Amir Mahini, director of international business research for the McKinsey consulting firm: "In the next two or three years, Japanese investments here will build up very rapidly. It's going to become a torrent."

In particular, the Japanese are taking America's skylines by storm. They have invested an estimated \$7 billion (\$5.5 billion last year alone) in office towers and other buildings. Oil-company headquarters are a favorite: Hiro Real Estate last month paid \$250 million for Mobil Oil's 42-story Manhattan headquarters tower. An older landmark, Fifth Avenue's Tiffany building, was sold last November to Dai-ichi America Real Estate for \$94 million. Where landmarks are not available, seascapes will do: in Hawaii, Japanese investors own more than half of the twelve major hotels along Waikiki Beach.

American real estate agents love the trend: by some estimates, the Japanese have single-handedly boosted the selling prices of prime Manhattan real estate 10% to 15%, to roughly \$500 per sq. ft. Those prices are still a bargain compared with costs in Tokyo, where office towers sell for an astronomical \$20,000 or more per sq. ft.—on those rare occasions when anything comes up for sale. Says Shigeru Kobayashi, owner of Japan's multibillion-dollar

S. KOBAYASHI



With his father, a Tokyo real estate tycoon, the young investor has bought 26 buildings in the U.S. worth some \$2 billion. Among them: the ARCO Plaza in Los Angeles and the ABC headquarters in Manhattan



Shuwa real estate empire: "Bond buyers are holding paper, but I have buildings and land. That's the future." Kobayashi's son Takashi, head of the family firm's U.S. subsidiary, controls 26 U.S. buildings worth some \$2 billion. Among them: the ARCO Plaza in Los Angeles (bought for \$620 million last September) and the ABC network headquarters in Manhattan (\$175 million in October). Says the senior Kobayashi: "America is where greatness is."

Japanese bargain shoppers increasingly covet neglected American gambling casinos. Last April, Ginji Yasuda, a Kore-

an-born Japanese, reopened the 1,100-room Aladdin Hotel in Las Vegas after buying the ailing complex for \$54 million and spending \$30 million more to restore its glitzy décor. He plans to shuttle customers from Japan in a posh jet equipped with sleeping cabins. Says Yasuda: "You have a lot of dreams still available in this country that you don't have in Japan."

Tokyo Billionaire Masao Nangaku, 68, had an expensive fantasy last month, when he outbid five U.S. companies for Las Vegas' struggling Dunes Hotel. The winning price: \$157.7 million. Nangaku plans to virtually double the size of the hotel, to 2,200 rooms. Nangaku says he has wanted to

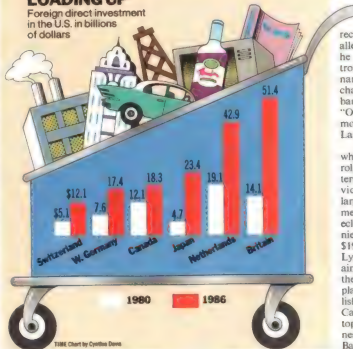
buy a casino in Las Vegas for years.

Backed by a vast recreation empire (bowling alleys, golf courses, hotels), he apparently had little trouble lining up the financing for the Dunes purchase through his Tokyo bankers. Boasts an aide: "Our assets are worth far more than the price of a Las Vegas hotel."

One corporate arena in which Japan's huge bankroll is prompting intense jitters is the U.S. financial-services industry. Tokyo's largest banks and investment firms, which already eclipse American companies like Citicorp (assets: \$196 billion) and Merrill Lynch (\$53 billion), openly aim to grab a large share of the U.S. financial marketplace. They have established a major beachhead in California, where four of the top ten banks are now Japanese-owned: California First Bank, Sanwa Bank, Bank of

LOADING UP

Foreign direct investment in the U.S. in billions of dollars



TIME Chart by Cynthia Davis

Learning to Love Stocks and Bonds

While foreigners have poured billions of dollars into U.S. buildings, banks and blue-chip companies, it is the vast sums they are pumping into America's stock and bond markets that have the greatest impact on its economy. All told, foreigners last year held more than \$500 billion worth of U.S. Treasury and other government securities, corporate bonds and shares in publicly traded companies. (They also owned \$449 billion deposited in accounts in American banks.) U.S. holdings of foreign stocks and bonds amounted to \$269 billion, but foreign holdings are rising faster. The fact is that outsiders are supplying the funds that enable the U.S. to continue piling up its extravagant national debt.

American financial markets offer both the stability and variety of opportunity that prudent investors crave. Wall Street analysts give foreign investors credit for a major helping hand in the five-year bull market, and well they should. Via the computerized linkages that now tie together the world's financial markets, overseas investors are gobbling up U.S. stocks at a \$39 billion annual rate this year, adding to their previous holdings of \$167 billion. In the first three months of 1987, the Japanese bought \$3.5 billion in U.S. stocks, while the British spent \$2.4 billion. Says Byron Wien, domestic portfolio strategist for the investment firm Morgan Stanley: "The Japanese are buying at four times the rate of last year."

Foreigners are even more enamored of bonds. They had amassed \$142 billion in corporate and non-Treasury government bonds (including mortgage-backed securities) by the beginning of this year. But non-American investors are fonder still of securities sold by the Treasury Department. Foreigners own 16% of the \$1.7 trillion in outstanding publicly held U.S. Treasury debt instruments. At the latest sale of U.S. Treasury long-term bonds in August, Japanese buyers snapped up more than 30% of the 10-to-30-year offerings, boosting their holdings in Treasury securities to \$65 billion or more.

There are limits to how far foreign investors can back away from American investment opportunities these days. The U.S. has become a megadebtor like Brazil and Mexico. American obligations are so great that creditors must help extend U.S. indebtedness to avoid damage to their own economies and investments. With Japanese domestic savings estimated at \$1 billion or so a day, there is simply no other non-Japanese financial market large enough to absorb the sums available for investment. Besides, the current yield of long-term Treasury bonds (more than 9%) is roughly 3 percentage points higher than that paid by Japanese bonds.

The bedeviling relationship of foreign creditors with America the Debtor has shown up strongly in recent weeks. Foreign governments have intervened repeatedly to prevent the U.S. dollar from sinking even faster than it has so far. A weaker dollar would make American exports cheaper and imports more expensive—and that would make the U.S. better able to repay its debts. But America's major creditors, who are also its major trading partners, are not wild about a further rapid slide in the dollar's value: such a precipitate decline would erode the trade surpluses that made them creditors in the first place. They are better served if the U.S. continues to consume foreign goods while increasing its foreign debt, albeit at a reduced rate. Thus the potential for further uncertainty is created, in which the U.S. must walk a tightrope between too much fiscal responsibility and not enough.

—By Gordon Bock.

Reported by Barry Hillebrand/Tokyo and Raji Samghabadi/New York



The Treasury Building: America has become a megadebtor like Brazil and Mexico

California and Sumitomo Bank of California. On Wall Street, Japan's Sumitomo Bank shelled out \$500 million for a 12.5% share of profits in the Goldman, Sachs investment-banking firm, while Nippon Life Insurance paid \$538 million for a 13% slice of Shearson Lehman.

The Japanese have largely shied away from takeovers of major U.S. industrial corporations, at least partly in fear of a public relations backlash. "We are worried about investment friction now. It may get serious," says Hiroki Sakamoto, a senior official of the Japan External Trade Organization. But last month Dainippon Ink & Chemicals won a long and bitter battle to take over New York's Reichhold Chemicals, a maker of specialty polymers. The price: \$540 million.

The least inhibited foreign bidders for U.S. corporate control these days are often the British. They have committed more than \$22 billion so far this year to U.S. takeovers, successful or pending, in contrast to some \$14 billion for all of 1986. The British invasion "is going this year at a frightening pace," observes Philip Healey, publisher of *Acquisitions Monthly*, a British trade journal. "Buying an American company is very much a vogue thing."

Many British raiders have shown remarkable pluck, taking on American companies many times their size. WPP Group, an upstart London advertising firm, bid \$566 million in June to acquire JWT Group, the parent of Madison Avenue's lordly J. Walter Thompson agency. Last month another relatively small London outfit, the Blue Arrow employment-services agency, successfully bid \$1.3 billion to take over Milwaukee-based Manpower, the largest American temporary-labor placement firm.

Perhaps the most successful British buccanner in America is the canny, soft-spoken Sir Gordon White, 64, chairman of Hanson Industries, the U.S. investing arm of London's Hanson Trust conglomerate. Hanson employs more than 35,000 workers in the eight U.S. firms it has acquired since 1973. Among the prizes: SCM, manufacturer of Smith-Corona typewriters, and Endicott Johnson, the shoe retailer. White's current target is Kidde, a maker of products ranging from Farberware kitchen utensils to Jacuzzi Whirlpool Baths. Hanson has made an offer for Kidde, and a successful deal would double the firm's U.S. employment roster. So far White has spent \$2 billion on his acquisitions.

The Dutch come right behind the British in their direct investments in U.S. companies. The Dutch-British Unilever consumer-products combine spent \$3.1 billion last February alone to acquire Connecticut-based Chesebrough-Pond's. The deal gave Unilever ownership of such American brand names as Ragù spaghetti sauce, Prince tennis rackets and Vaseline petroleum jelly, along with Q-Tips and Pond's cold cream. Last week the Dutch

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electronics giant Philips struck a deal to swallow its North American subsidiary for more than \$600 million, a move that will give the European conglomerate all rights to several famous American brand names: Norelco, Magnavox and Philco.

Canada has the highest levels of foreign, chiefly U.S., ownership of domestic enterprises of any major industrial country. Now the Great White North is striking back. Canadian direct investment in the U.S. has jumped from \$12.1 billion to \$18.3 billion in the past six years, with much of the increase in real estate and retailing. Last fall Ottawa-based Tycoon Robert Campeau swooped down on New York City to make a \$3.5 billion buyout raid on Allied Stores, a 690-store retail chain with holdings that include Brooks Brothers and five major U.S. shopping centers.

West Germany, awash in boodle from selling U.S. customers everything from beer to BMWs, has taken aim at heavier industry. The huge Hoechst chemical firm last March paid \$2.8 billion to acquire Celanese, the U.S. fibers firm best known for its Fortrel polyester. For its part, France's Thomson electronics company forged a deal in July to buy GE's consumer-electronics arm in exchange for an estimated \$800 million cash and title to the French company's medical-equipment division. That arrangement left Zenith as the last sizable American firm to manufacture TV sets in the U.S.

Even the remote Australians have got into the corporate-takeover act. Investor George Herscu, a real estate magnate, is constructing \$1.2 billion worth of supermarkets to add to the \$500 million string of shopping centers he has accumulated in Ohio, Florida, Colorado and South Carolina. Herscu also spent \$100 million to buy Bonwit Teller, the fashion retailing chain, which he aims to double in size. In a widely publicized purchase this year, Natural Resources Magnate Robert Holmes & Court spent \$1 billion to buy 9.5% of Texaco. Last month Australian Investor Alan Bond offered \$500 million for the St. Joe Gold mineral corporation of Clayton, Mo.

For many parts of America, a megadose of foreign investment is a welcome tonic. In small towns or rusted industrial cities that have been unable to attract American capital, foreign money is virtually the only means to create new jobs (see box). Nearly three years ago, local boosters in Winslow, Ariz. (pop. 8,900), induced a Korean company, Young An Headwear, to buy a long-dormant underwear-manufacturing plant on nearby Hopi Indian reservation land. The refurbished factory has since provided 80 new jobs and produces \$2 million worth of sport caps annually. In Fontana, Calif., a joint venture of Brazil's Rio Doce Geologia & Mineração mining company and Japan's Kawasaki Steel reopened a foundry that was shut down in 1983. It now produces 1 million tons of steel a year and employs 800 workers. Says Kenneth Gibson, director of the California com-

merce department: "You wouldn't have a steel industry in this state if it were not for foreign investments."

Where U.S. businesses are merely dying rather than dead, foreign buyers flush with cash and enthusiasm can sometimes cause a dramatic turnaround. Canada's Cineplex Odeon theater chain, for example, has bought and spruced up more than 300 mostly decrepit U.S. movie theaters, at a cost of roughly \$475 million. The Toronto-based company revives business by boosting the quality of feature presentations and perking up the housekeeping, the acoustics and even the quality of the popcorn.



MARK WOSSNER



The head of West Germany's giant Bertelsmann conglomerate now commands the U.S. record label RCA/Ariola International as well as the book-publishing imprints of Doubleday, Bantam and Dell

One of the most dramatic cases of a foreign-assisted turnaround involves the Great Atlantic & Pacific Tea company, parent of A&P. The supermarket chain was ailing badly when West Germany's Tengelmann Group took over in 1980, after anteing up \$100 million for control of Great Atlantic. A&P's foreign owners installed a new top manager and restored the company's reputation within three years, first by selling 600 unprofitable stores out of a total of 1,600, then by patiently plowing profits back into the remainder.

Even when U.S. managers are performing well, a foreign takeover can introduce new kinds of dynamism. In the case of last March's Hoechst-Celanese merger, for example, the West German company brought to the union an acknowledged excellence in pure research. The U.S. firm is expected to contribute American know-how in bringing new laboratory discoveries quickly to the marketplace. Moreover, the West German company expects the American addition to help loosen up the regimented corporate culture of its parent, where Hoechst engineers stiffly address one another as "Herr Doktor."

But along with opportunity, foreign

owners have stirred plenty of fear. Some Americans react sharply to foreign overtures and invoke apocalyptic visions of the unwanted influence that outsiders may wield. Last May William Jovanovich, chairman of the Florida-based publishing firm of Harcourt Brace Jovanovich, made unabashed appeals to antiforeign sentiment while fending off British Press Lord Robert Maxwell's \$1.7 billion takeover bid. Among other things, Jovanovich asserted that a foreigner would be unfit to publish books for American schoolchildren. That conveniently overlooked the dominant role of American publishers. Jovanovich's firm included, in Canada,

where 59% of school textbooks are produced by foreign-owned companies.

The buyout binge has stirred bitter debate over fundamental issues. The biggest is jobs: Will the foreign investment wave bring more of them or wash them away? Some U.S. groups argue that overseas companies often come out second best to native ones in generating new employment. A 1986 study by the United Auto Workers contends that foreign auto-assembly plants in the U.S. eliminate three jobs for every one they create, since the facilities import so many of their components from abroad. The study implies that foreign-owned plants often fail to spread job opportunities beyond their factory gates.

Nor is foreign ownership always a guarantee of innovative management. Last month Robert Harp, founder of the California-based personal-computer maker Cordata Technologies, quit his chairmanship of the company after a quarrel with Daewoo, the South Korean industrial giant that spent \$2.5 million in 1985 to buy 70% of Cordata's stock. The once profitable American firm lost \$20 million last year, claims Harp. He blames that on the Korean parent's overpricing of Cordata products and on its slowness in making decisions.

Economy & Business

Another frequently voiced concern is that foreign owners will monopolize a particular American industry, driving out U.S. capacity and somehow gaining the capability to extract exorbitant profits or disrupt the economy. One business that draws attention is cement. The biggest player in that industry, which is more than 50% foreign owned, is Switzerland's Holderbank, a financial concern that has bought two American cement companies (Dundee Cement and Ideal Basic Industries). Holderbank wants to combine the

two with a Canadian company, St. Lawrence Cement, to form North America's largest firm.

The fact is that U.S. antitrust law, however leniently enforced under the pro-business Reagan Administration, can prevent any foreign monopoly abuse. Indeed, antimonopoly laws are liable to be used more readily against foreign companies than domestic ones. The U.S. already has laws that restrict foreign ownership in any industries that the Federal Government deems essential or sensitive. Among

them: telecommunications, shipping, aviation and any form of defense production that requires a U.S. security clearance.

The Reagan Administration tried to draw a new line last March, when it stunned the Japanese electronics giant Fujitsu by blocking a reported bid of \$225 million for money-losing Fairchild Semiconductor, a maker of computer microchips. Washington cited national security concerns for the ban—even though Fairchild was already owned by a foreign firm, the French oilfield-services compa-

Working for the Japanese

What is it like to work in a U.S. factory that has been taken over by the Japanese? It has been more than four years since the Firestone Tire & Rubber plant in LaVergne, Tenn., was bought outright for \$52 million by Bridgestone of Tokyo, Japan's No. 1 tiremaker. Some obvious things have not changed in that time: workers still labor over tire presses, for example, and steel-belted radials still roll off the line. But in any number of subtle and not so subtle ways, the influence of the new owners can be felt throughout the factory and indeed throughout the town—from the new automated stitching equipment on the shop floor to the cherry trees growing in profusion near the plant and in front of LaVergne's city hall.

LaVergne (pop. 5,500) is a decidedly rawboned blue-collar town rather than a quaint Tennessee tourist attraction. Dotted with car washes and low-rise factories, it has a work force that exceeds its population. Mayor Vester Waldron describes the place as a "bedroom community without the bedrooms."

As it happens, though, LaVergne is just four miles down the road from the Nissan autoworks that inspired the screenwriters of *Gung Ho*, the 1986 Hollywood film about Japanese-American factory relations. The movie depicts the Japanese takeover of a mythical Pennsylvania company town as a comic clash between a lackadaisical work force and transplanted managers obsessed with efficiency. Although Bridgestone and LaVergne officials play down the comparison, workers at the Japanese-owned tire plant have another perspective. Says Roger Sherrill, a longtime tire assembler at Firestone who was on hand when the Japanese arrived: "That movie hit it right on the head."

Worker-management frictions began even before Bridgestone (the name comes from the surname of the company's founder, which translates as "stone bridge" in Japanese) took over the factory in January 1983. During preliminary negotiations with United Rubber Workers Local 1055, the plant union, an angry blue-collar leader became abusive, brought up Pearl Harbor and asked the Japanese present to get out of the bargaining room. To his amazement, they did, flying all the way back to Japan. A deal governing labor relations was struck only after the union wrote an apology and formally asked Bridgestone to come back.

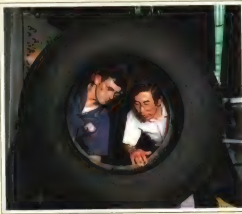
The factory that Bridgestone bought was aging and

underutilized: 400 of its 1,000 workers had been laid off by Firestone. Before the Japanese took over, the plant produced barely 700 tires a day. Bridgestone kept on all workers still on the job and rehired the 400 who had been furloughed. But employees still feared the worst—wrongly, as it turned out. "Everybody kind of expected that they would have to work a lot harder," says Sherrill. "But what we've found is that they just want you to work faster. They'll invest money in new machinery in a heartbeat if they think it will make you more productive."

There were other pleasant surprises. "The Japanese tend to work more overtime than Firestone did," says Local 1055 President Dan Bailey. At overtime wages of \$20 an hour, he adds, "nobody's griping about having that extra money in their paychecks." According to some workers, the firm's management seems much more receptive than the previous owners to suggestions and complaints. "With Firestone, they wanted you to park your brains at the gate," says one employee. "With Bridgestone, they want you to talk even when they know they're not going to listen."

But Bridgestone has listened, even though the Japanese have kept a certain distance on the shop floor. When the company revealed plans last year to locate a new factory elsewhere in the state, the workers argued for keeping the facility in LaVergne. "We told them we'd prove ourselves as a work force, and gradually they became more receptive to the idea," recalls Bailey. In April Bridgestone announced it would build a new \$70 million factory alongside the old one. Claims Bailey: "That kind of dialogue never would have got started at Firestone."

There has been little social mixing between the Japanese and Americans—no intercultural baseball games or communal exercise sessions. "The Japanese are pretty closed as a group," says LaVergne City Manager Richard Anderson. "They pretty much keep to themselves." One reason, of course, is that many of the Japanese speak less than fluent English. But there is no question that Bridgestone has pumped new life into the local economy and turned the old tire factory around. The plant's output has more than quadrupled, to 3,000 tires a day. "Morale is at least 300% better than it was under Firestone," says Tire Builder Sherrill, "although there are still a lot of times when we don't really understand the Japanese people's way of doing things, and they clearly don't understand ours."



East meets West: local Bridgestone worker and supervisor

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On August 27, 1987, the experimental Oldsmobile Aerotech established a new world closed-course land speed record, 257.123 mph. The old record of 250.918 mph was set in 1979 by a turbo-charged V8 Mercedes-Benz.

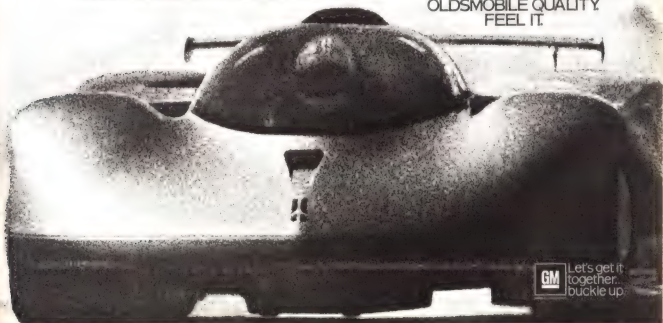
The Aerotech is powered by a specially-developed heavy-duty, turbo-charged Quad 4 engine, based on the production twin-cam, 16-valve, 4 cylinder Quad 4 built at GM's world-class Delta Engine Plant. The exciting Quad 4 engine will be available in the 1988 Olds Cutlass Calais.

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Economy & Business

ny Schlumberger. (Last week Fairchild finally found a U.S. purchaser when a neighbor in Silicon Valley, National Semiconductor, bought the company for a meager \$122 million.) The noisy Fujitsu episode may have proved a costly one for the U.S., according to Federal Reserve Chairman Alan Greenspan. The U.S. central banker told the *Wall Street Journal* that the incident rattled foreign investors, who reacted by cutting back their holdings of U.S. dollars. That sent the value of the greenback plunging. For a brief time, domestic interest rates moved sharply upward in a bid to force the dollar's value up again.

Even without further moments of monetary turbulence, the U.S. Congress seems bound to look more closely at the foreign buyout wave as it continues to

should be resisted by legislators and advisers to presidential candidates alike.

In the view of Hawaii Governor John Waihee, "It's not the origin of an investment dollar that makes it good or bad, but how it is invested." Takeovers that encourage U.S. competitiveness and efficiency and refurbish aging plants and equipment, in other words, are usually good, whoever spends the money. Likewise, the money that foreign companies invest in America is usually more important than the ultimate destination of any future profits. "To a worker in Chicago, does it make any difference whether the dividends go to New York or Tokyo? No," says Economist Edward Bernstein, a guest scholar at the Brookings Institution.

Economic experts in other countries.

manufacturers' desire to buy physically into the U.S. market.

The U.S. economy has long based its prosperity in large part on the free flow of capital across international borders. In the mid-19th century, European investments helped finance the building of America's railroads, essential for opening up the West. Later, Europeans put their money into American ranching, farming and mining. After the turn of the century, foreigners helped buttress one of the most powerful companies of the era, U.S. Steel, by buying up fully 25% of its equity.

The current crush of foreign buyers offers more opportunities than threats—and, in any event, the \$4.5 trillion U.S. economy's best insulation against invasion remains its sheer size. Says Theodore Moran, a professor of international business diplomacy at Georgetown University: "We are not going to have our economy taken over by foreigners unless it continues to decline for 50 or 60 years." That holds true even though a couple of Asian shoppers, South Korea and Taiwan, have barely begun to make strides in the U.S. buyout market. Yet as foreigners continue to rush in, more American properties are constantly being built to balance the outside purchases. In real estate alone, the U.S. annually constructs some \$30 billion worth of shopping malls, \$10 billion worth of factories and \$6 billion worth of hotels.

A more important reaction to the foreign buyout would be for Americans to adopt healthier economic habits. Those especially include a concentration on selling more exports and a curbing of the appetite for foreign goods, particularly luxury consumer items. Even there, the current bargain-basement sale of U.S. assets may eventually prove to be of some help. Quick to recognize the export advantages of the weak U.S. dollar, for example, the new management at Hoechst Celanese has already decided to move some chemical production from West German factories to American ones. At the same time, new managers like Sir Gordon White are giving their American troops a pep talk. Says he: "In the U.S., you haven't got the drive to export. It's often very difficult to convince managers in companies we've bought that they should flog their products in Britain. They say, 'Why go to all of that trouble when I can sell in the U.S.?'"

White would be only too happy to discover more American corporations that need to be taken over and set straight. Says he: "I do keep a close check on many U.S. companies. We could still launch another bid of more than \$10 billion in the U.S." White's bankroll is seemingly inexhaustible—but then, so are the exciting economic opportunities of America itself. With all those tempting troves of undervalued wealth in view, it is small wonder that Sir Gordon and his many foreign imitators still want to buy, buy, buy. —By Stephen Koop.

Reported by Scott Brown/Los Angeles, Richard Hornik/Washington and Frederick Ungeheuer/New York

GEORGE HERSCU



A shopping-mall magnate, the Sydney-based investor has bought more than \$500 million worth of U.S. shopping centers in Ohio, Florida, Colorado and South Carolina. He also owns fashion retailer Bonwit Teller, at a cost of \$100 million.



swell. Some Washington legislators argue that the U.S. should at least develop a more vigilant system to monitor foreign inroads. The trade bill that passed the House in April includes a provision that would require foreign investors to report to the Commerce Department any interests of 5% or more in U.S. corporations or real estate. But many foreign investors oppose such scrutiny as trade harassment and a possible first step toward expropriation of their assets. Says a senior Administration official: "An investor might think that these requirements mean the U.S. Government will be coming after him." The Senate has passed a scrutinizing provision in its version of the trade bill, but the White House is trying to scale back the dual proposals.

Indeed, most economists and politicians appear to come down against any major interference with the investment spree. Writing in the *Washington Post* last week, Economists Martin and Kathleen Feldstein (he is the former chairman of the President's Council of Economic Advisers) flatly stated, "The occasional rumblings about restricting foreign investment, such as the idea of requiring official registration,

notably Canada and Britain, wryly point out that they have faced similar and even proportionately larger tides of foreign investment without losing control of their national destiny. Says Economist Alan Rugman of the C.D. Howe Institute, a leading Canadian think tank: "We in Canada have much more foreign ownership than the U.S. will ever have, and we're one of the wealthiest countries in the world as a result." Even so, Canada has suffered through prolonged bouts of unhappiness concerning foreign influence within its \$379.3 billion economy and has occasionally lashed back at foreign investors, at substantial cost.

Amid the growing U.S. hubbub about acquisitive foreigners, a fact worth remembering is the importance of America's own trillion-dollar foreign holdings abroad. Any crimping of foreign investment in the U.S. would invite similar measures against American investors elsewhere—the equivalent, that is, of trade protectionism. Ironically enough, overseas worries about rising American protectionism toward imports is a prime reason for many foreign

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Economy & Business

Carpethaggers

A Southern battle over taxes

Ever since the Civil War, the Federal Government has not been very popular in Georgia. Last week the Peach State and its capital, Atlanta, got an unusual chance to shoot back once again at Washington, this time over tax reform. In one of the first legal challenges to the Reagan Administration's 1986 Tax Reform Act, the city and state governments filed suit in federal court, charging that the measure unlawfully restricts the tax-exempt status of interest from municipal bonds. Former U.S. Attorney General Griffin Bell, who is handling the plaintiffs' suit, claims that the act places unconstitutional limits on the ways that state and local governments can raise funds.

Bell contends that the act is in violation of the Tenth Amendment, which leaves to the states all powers not specifically reserved in the Constitution for the Federal Government. At issue are two clauses in the new law that affect the sale of state and local bonds. The first dilutes the attractiveness of the securities by limiting the traditional tax exemption on interest from so-called general obligation bonds. The second radically restricts the ability of governments to increase their revenues by reinvesting funds raised from bonds. Previously, in a process known as arbitrage, state or city governments could issue bonds at a given interest rate, reinvest the proceeds at a higher rate of return and pocket the difference. Under the new law, state and local governments would have to turn most of those profits over to the federal treasury.

In Georgia the proceeds from arbitrage have amounted to as much as \$40 million a year. Atlanta Mayor Andrew Young points out that the city has been able to lower the cost of renovating its zoo by some \$3 million by using the now banned technique. On a nationwide basis, the numbers mushroom: the total value of outstanding bonds issued by approximately 40,000 state and local jurisdictions is at least \$729 billion.

Argues Georgia State Auditor G.W. Hogan: "The Government is imposing a tax on our income." Why is that allegedly unconstitutional? Says Frank Shafroth, federal relations director for the National League of Cities: "For 200 years the Federal Government didn't tax state and local governments or regulate their taxing, and the state didn't try to interfere with the Federal Government's power to tax," Shafroth's organization, as well as the Government Finance Officers Association, a national organization of public finance officials, is co-plaintiff in the Georgia suit. Fumes Mayor Young: "The Federal Government has been chipping away at our ability to finance necessary state and local governmental facilities for almost 20 years now. It is time to call a halt."



Union President Biebert: putting the heat on the No. 2 automaker to avert a strike

Rough Bargaining Ahead

The U.A.W. picks Ford as a target, but faces trouble with GM

"Ford is supposed to be a hotbed of good ideas," said Owen Bieber, president of the United Auto Workers. "We're going to give them the opportunity to demonstrate that the same is true in the labor-relations arena." Bieber's 1.1 million-member union (thereupon served notice last week, well before its labor contract expires on Sept. 14, that the No. 2 U.S. automaker would be the U.A.W.'s priority target in seeking a new three-year pact. The designation was meant to put increased bargaining pressure on the target company, a pattern that in years past meant a settlement with Ford would quickly be applied to GM and Chrysler as well. But that is no longer the case: bargaining this year could be the most complicated—and perhaps the roughest—in quite some time.

One reason for the storm warnings is the U.A.W.'s main demand: job security. The autoworkers (average hourly wage: \$13.50) are aware that low-cost foreign imports and Japanese-owned U.S. assembly plants make impossible any significant pay hikes by American carmakers. Instead, the union is focusing on the Big Three's shrinking share of the \$200 billion U.S. auto market (currently about 70%) and the growing use of foreign suppliers to cut costs. The companies are trying to save money by trimming their domestic labor force, and the U.A.W. has lost more than 400,000 members since 1979. The union's aim, Bieber says, is to make "stable domestic employment a part of how these companies do business."

Bieber may have little trouble getting Ford and its 104,000 U.A.W. employees to reach an accord. The company passed much bigger rival GM in profits last year (\$3.3 billion vs. \$2.9 billion) largely on the basis of cutbacks begun in 1980 that cost

some 50,000 workers their jobs. With that painful exercise over, Ford's profits are expected to be just as good or better this year. Meantime, the company's domestic-market share climbed from 18.2% last year to 20.1% in July, and some Ford plants are humming along at more than 100% of normal capacity. Facing such rosy prospects, Stanley Surma, Ford's director of labor relations, vowed that the firm would "come out with a job-security

plan that addresses the concerns of the employees."

The term strike, he added, was a "bad word."

Maybe not at GM, where the U.A.W. contract expires along with Ford's.

Chrysler's domestic U.A.W. contract does not expire until next year. But some 70,000 Canadian workers whose contracts with all three automakers expire this month picked the No. 3 company last week as their strike target. On the contrary, GM Chairman Roger Smith said last week, "I don't know of anyone in the world who can give you a 100% job guarantee if you are in a cyclical industry."

At GM the cycle is still headed down: the 71-year-old company saw its domestic market share drop to 37.5% in July, from 41.1% in 1986. Last year's \$2.9 billion earnings were 26% lower than those in 1985. Finally recognizing that its vaunted \$40 billion investment in high technology would not reduce overhead as much as had been hoped, GM turned to more direct cost cutting and indefinitely laid off 50,000 hourly workers. The 335,000 union members who remain at GM are convinced that the austerity process is not finished, and that a job-security contract may thus be impossible to obtain. If so, the U.A.W. may be hitting the bricks.

—By Gordon Back.

Reported by B. Russell Leavitt/Detroit

Business Notes



Supercomputers: Chen at Cray



Publishing: soon, looking will cost readers money



Careers: Trader Keller shows his new cards

COMPENSATION

More Gains For Women

The earnings gap between men and women is narrowing, the U.S. Census Bureau reports. But there is still a very considerable way to go before the two sexes can be considered on the same economic footing.

That was the main conclusion of a study released last week analyzing the various factors involved in why American men earn more than women. The good news is that the average earnings of women who work full time were up, to 70% of men's wages in 1986. In 1979, by contrast, the figure was only 62%, a statistic that had remained more or less constant since 1973. The advance in earnings amounted to "tremendous progress," according to Gordon Green, assistant chief of the bureau's population division.

What brought about the change? For one thing, greater numbers of women college graduates are filling higher-income professional and managerial jobs traditionally held by men, the study says. Another reason for the remaining wage difference is that men are still twice as likely as women to enter the most highly compensated fields. Moreover, women continue to interrupt employment more often than men (for childbearing, among other things), undermining seniority and avail-

ability for promotion. The report downplays an additional explanation for the male-female wage gap: outright sex discrimination.

SUPERCOMPUTERS

Scratch One Supergenius

For most of its 15-year history, Cray Research of Minneapolis has dominated the market for supercomputers, those \$15 million, lightning number crunchers used for everything from the search for oil deposits to the design of nuclear weapons. The company has boasted two star computer engineers: Founder Seymour Cray, 62, and Steve Chen, 43, the Chinese-born immigrant who designed the Cray X-MP, the company's best-selling machine. Last week supercomputerdom's best and brightest duo decided to split up. In a move that shocked the investment community—and sent Cray's stock tumbling 8½ points in a single day—the company announced the cancellation of its most advanced supercomputer project and the impending resignation of Project Manager Chen. According to the company, Chen's plans to build a machine ten times as powerful as any existing today had grown wildly over budget. Estimated cost of completion: \$100 million. Chen is reportedly planning to pursue his ideas on his own.

CAREERS

That's a Real Stock Dealer

Trading stock options is a high-risk business. That is why Jack Keller of Winnetka, Ill., took up the trade: compared with his previous career as a professional poker player, being a market maker looked low key. Keller, the No. 2 U.S. money winner at poker—\$300,000 this year—has traded a seat at Caesars Palace in Las Vegas for one on the Chicago Board Options Exchange.

He was induced to make the move by Jerry Krause, a friend in the options business. Krause staked Keller to \$50,000 and guaranteed to cover all his losses in return for half his winnings. After two months on the job, says Krause, Keller is "up 100% on the original investment."

MANAGEMENT

Top of The Flops

It takes considerable nerve to name the ten worst-managed publicly traded firms in America, but *Financial World* obviously has that. The Manhattan-based biweekly issued its first roster of corporate clunkers this week, based on such factors as stock performance, earnings and management errors. BankAmerica was criti-

cized for bringing back Chief Executive A.W. Clausen, who had been accused of mismanaging the troubled bank before he retired. MCI Communications was named for taking on too much debt. Others mentioned: Wang Laboratories and Bally Manufacturing.

PUBLISHING

Fuller Brushes At Newsstands

Some 60 million Americans spend about \$50 billion each year shopping by mail-order catalog. Until now, most of these slick advertising circulars were free. Starting later this month, however, consumers will be able to buy the publications at their local news outlets. Catalog Retail of Connecticut will send more than 200 catalogs for goods ranging from Fuller brushes to Tiffany crystal to 76,000 newsstands and other U.S. magazine retailers.

The \$1-to-\$3 publications will be sold alongside regular magazines that deal with related topics. Followers of fashion, for example, may find catalogs for Brooks Brothers and Benetton next to *Harper's Bazaar* and *Vogue*, while cooks will find *Community Kitchens* and the *Chef's Catalog* alongside *Gourmet*. In a test run of the notion earlier this year at 1,000 Waldenbooks stores, more than half a million copies were sold.

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Religion



The Pontiff with Jewish leaders at last week's Castel Gandolfo meeting

John Paul Clears the Air

Prayers, promises and frank talk at a summit with Jewish leaders

Most official meetings with a Pope are choreographed sessions during which practiced formalities and prepared formulations eliminate any chance of missteps. But last week at Castel Gandolfo, his summer residence outside Rome, John Paul II held a remarkably open, unrehearsed exchange with Jewish leaders, the first by a Pontiff in modern times. By every account, the warm 75-minute encounter went well beyond smoothing ruffled feathers and gave substantive promise of uplifting the troubled relationship between Roman Catholics and Jews.

A new era in that relationship began in 1965, with the Second Vatican Council's decree denouncing anti-Semitism. But the Holy See still does not recognize Israel. And there have been other disputes, none more charged than the angry Jewish reaction to the audience John Paul granted to Austrian President Kurt Waldheim in June. Waldheim has been accused of complicity in Nazi war crimes and consequently is unwelcome in numerous Western nations, including the U.S. The Vatican argues that declining to receive Waldheim would have been tantamount to judging him guilty.* Dismayed that John Paul made no mention of the

Holocaust during Waldheim's visit, Jewish leaders talked of boycotting a ceremonial meeting in Miami this week during the Pope's U.S. visit. But with the adept, if belated, papal diplomacy, that meeting should now go smoothly.

Vatican efforts to make amends included a public letter by the Pope on the anguish of the Holocaust. The process picked up at a vigorous working session in Rome the day before the papal meeting. Nine delegates of the International Jewish Committee for Interreligious Consultations and nine Catholic representatives,

mostly from the Vatican's Commission for Religious Relations with the Jews, met for six hours. After explaining the Waldheim audience by simply restating the Holy See's position, the church team, headed by Johannes Cardinal Willebrands, took strategic steps to improve relations.

Rome announced that it will establish a "special mechanism" to serve as a line of swift communication to Jewish leadership. New York City Rabbi Mordecai Waxman, chairman of the International Jewish Committee, said the still-to-be-defined mechanism "could assure that there would be no more Waldheim incidents in the future." The Vatican Secretary of State Agostino Cardinal Casaroli offered to maintain continuing contacts with Jewish leaders. Since Casaroli is the Pope's chief political adviser, his offer effectively "brought Catholic-Jewish dialogue to a new level," said Waxman. Willebrands also announced that his commission will prepare an official document (not necessarily a papal encyclical) on the Holocaust and anti-Semitism past and present. That came as a "total surprise," said a pleased Rabbi Marc Tanenbaum, director of international relations for the American Jewish Committee.

Those developments set the stage for Castel Gandolfo, where the nine Jewish representatives began by reciting Psalm 113 in Hebrew, after which John Paul and Willebrands prayed in Latin; everyone joined in a final "Alleluia." The Pope then listened to criticism of his Waldheim meeting without responding. The Pontiff expressed awareness that "the existence of Israel is central" to Jews, said a joint communiqué, and he "affirmed the importance of the proposed document on the Holocaust and anti-Semitism."

The talks had some light moments. Rabbi Alexander Schindler, leader of Reform Judaism in the U.S., told the Pontiff that in 1979 he had lifted a child above the crowd when John Paul visited New York City, saying, "Remember for the rest of your life that it was a rabbi who helped you see the Pope." But for all the warmth, what some were already calling the historic "Castel Gandolfo meeting" has not healed all the old wounds. To ensure that this visit will be remembered past his lifetime, the Pope who saw the rabbis has merely begun what promises to be years of delicate work. —By Richard N. Ostling. Reported by Daniela Simpson/Castel Gandolfo

Mission to Moscow

Pope John Paul is not the only church leader on the move. Last week Dimitrios I of Constantinople (now Istanbul), spiritual leader of the world's 150 million Eastern Orthodox Christians, concluded a historic mission: the first visit since 1589 by an Ecumenical Patriarch to the great daughter church of Russia.

The twelve-day U.S.S.R. pilgrimage produced no formal actions but was remarkable for having occurred at all. In overwhelmingly Muslim Turkey, the

government wants the Patriarch's small church of ethnic Greeks to attract as little attention as possible, and Dimitrios has heretofore shown no urge to travel. Given the long rivalry between the Patriarchs of Moscow and Constantinople, his friendly reception and lengthy talks with Russia's Pimen strengthened Orthodox unity,

as well as Dimitrios' influence as "first among equals" in the Orthodox hierarchy. In coming months the Patriarch will visit the churches of five other nations, then meet the Pope and the Archbishop of Canterbury. Expected in 1988: a return to Moscow for the millennium of Eastern Slavic Christianity.



Dimitrios I

*Last week a government-authorized Austrian commission of six international military historians, including an Israeli and an American, held its first meeting to review the Waldheim accusations. The panel is to report within three months.

The best way to protect the Constitution is to understand it.



Washington's inkstand

On September 18, 1787, the day after the delegates had put their signatures to the final draft of the Constitution in Philadelphia, Washington wrote to Lafayette: "It is the result of four months' deliberation. It is now a child of fortune, to be fostered by some and buffeted by others. What will be the general opinion, or the reception of it, is not for me to decide; nor shall I say anything for or against it.

If it be good, I suppose it will work its way; if bad, it will recoil on the framers." □ Today, after 200 years we celebrate what has come to be the oldest working Constitution in the world, a unique charter in which the people empower their government, and create the laws by which they shall live. This "child of fortune" was conceived out of argument and compromise; its framers representing 12 separate states, each fiercely protective of their own fortunes and future. Although different in manners, circumstances and prejudices, the delegates together wrote a system of government unlike any in history. None suggested that the document was perfect. Indeed, most of the authors acknowledged its imperfections. They, like Washington, were not to know the durability of their ideas or the strength of their words. □ Despite a Civil War and two centuries of vast social change, the Constitution as it was originally designed continues to guide, protect, and preserve our country. James Madison, the man most responsible for the



James Madison

shape and substance of the Constitution, was to say in later years: "Every word . . . decides a question between power and liberty."

□ For a nation so passionate about our heritage, we are surprisingly ignorant about the times, the men and the debate that surrounded the forging of our Constitution, as well as the contents of the document itself. We Americans, while celebrating its birth, would do well to reacquire ourselves with the instrument



Philadelphia

that assures us our power. □ It is the purpose of the Foundation for the Commemoration of the United States Constitution to foster the education of our citizens to the document that bears their name. An arm of the Bicentennial Commission headed by Chief Justice Warren Burger, the Foundation will fund, and seek funding for, those educational programs, projects or events that promote understanding of the principles and values of our Constitution — its vulnerability if not safeguarded; its durability if maintained.

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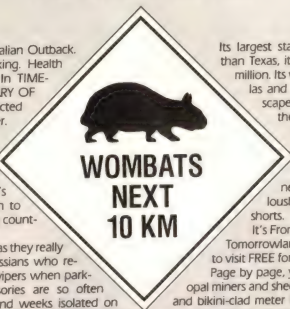
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Science

Montana State's Troublesome Elms

Once again, controversy surrounds genetically altered bacteria

Late last week a cordon of Montana State University police stepped aside as Gary Strobel, a professor of plant pathology, led a group of onlookers to a stand of 13 American elms in the Bovean campus research grove. He took a chain saw and severed the trees six inches above the ground. Then the trunks were sawed into sections and trucked to an incinerator. The stumps were doused with a powerful herbicide, and the surrounding soil was fumigated. Said a tearful Strobel: "Now maybe I can go back to other things."

On Aug. 12, Strobel admitted he had injected the elms with genetically altered bacteria in an attempt to treat them for Dutch elm disease. The experiment had shown encouraging results, but it was, he acknowledged, an act of civil disobedience that was in violation of Environmental Protection Agency regulations. After receiving a reprimand from the EPA and a warning that any similar experiments in the next year must be co-sponsored by another investigator and receive special permission from the university, Strobel requested that the elms be disposed of to end controversy over his actions. His troubles, however, were not yet over. At week's end University President William Tietz formally censured Strobel. Said he: "No member of the academic community is above the guidelines and regulations that are designed to protect the public."

Disturbing new evidence emerged last week that Strobel had released altered bacteria into the environment prior to his experiment with the elms. In an Aug. 10 letter to the EPA, Strobel admitted he had released a "new strain of *Rhizobium meliloti*" in South Dakota, Montana, California and Nebraska in 1983-84. The *Rhizobium* had been altered to enhance nitrogen fixation in alfalfa plants. Though it is not yet clear that those experiments violated regulations in force at the time, they are under investigation by Montana State and the EPA.



End of a crisis: Strobel takes a chain saw to one of his trees

Antibiotechnology activists were infuriated with Strobel's actions and with his mild punishment. They claim that scientists could unwittingly unleash destructive mutant bacteria into the environment, a worry that is considered alarmist by most scientists. Says Jeremy Rifkin, a Washington lobbyist: "We cannot expect

the scientists to police themselves. They feel they are above the law."

Strobel admits that his frustration with the maze of federal rules and the often lengthy EPA approval process led him to start the elm test last June. Geneticist Duane Jeffery of Brigham Young University likens Strobel's actions to Oliver North's, contending that the scientist knew the rules and pulled the idealistic stunt "in the name of service to humanity." Strobel is a recognized expert on plant pathogens who once wrote that his career choice "was brought on by a desire as a teenager to understand why the chestnut trees had died in my home state of Ohio." He has argued all along that his bacteria posed no threat.

That is not in dispute. The presumed safety of an experiment does not exempt it from federal rules many scientists find stifling. Approval for an altered-organism release is a multistage process involving several agencies and requires extensive documentation; an experiment can wait years for a go-ahead. Beyond that, the definitions of what constitutes an engineered organism are vague. The crux of the dilemma is that regulators have bent over backward providing safeguards that will appease public fears over the dangers of genetic engineering. Says Anne

Vidaver, head of plant pathology at the University of Nebraska-Lincoln: "Persons reading those documents would be confused, even if they were trying to do the right thing." Even Government officials see the problem: "There's a concern that we are overregulating," says David Kingsbury of the National Science Foundation.

Strobel's misdeeds placed Montana State officials in an unwanted spotlight. "This has become a mark on the university," says Strobel. "It's not worth it to continue at the expense of my colleagues." Still, while there was concern over possible repercussions for the university, MSU's Tietz stressed that "it is our hope that this issue will further an awareness of the tangled interpretations... procedures... and classifications that dominate today's biotechnical research. A simplified code is absolutely essential."

—By Michael D. Lemonick.
Reported by Pat Dawson/Billings
and Dick Thompson/Washington

Boost for the Booster

Fire and smoke streamed across the desert outside Brigham City, Utah, last week as Morton Thiokol successfully fired its redesigned booster rocket for NASA's shuttle fleet. With the test, the crippled shuttle program cleared its first major technical hurdle in resuming flights, now set for next summer.

The achievement came

after glitches scuttled three scheduled tests. Company engineers are now examining for charring or erosion the revamped joints that connect segments of the booster. Those signs indicate leakage of burning gases, the problem that led to the *Challenger* explosion 19 months ago. More stringent testing lies ahead. Still, officials of the space agency and Morton Thiokol were ecstatic. Said NASA Associate Administrator Richard Truly: "We waited a long time to see this."



So far, so good: booster rocket firing up in the Utah desert

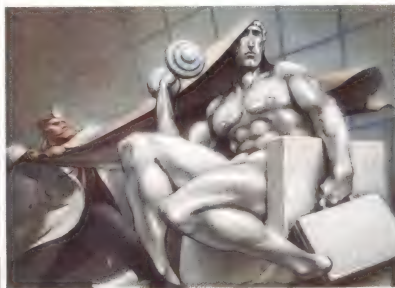
Health & Fitness

Snip, Suction, Stretch and Truss

America's Me generation signs up for cosmetic surgery

Anip here, a tuck there, and the face you have at 40 is no longer the face you deserve but the face you can afford. In the past five years, thanks to new surgical wizardry, media hype and the laws of gravity exerting their inevitable effect on baby boomers, cosmetic surgery has soared in popularity. Last year some half a million Americans were snipped, suctioned, stretched and trussed, compared with 300,000 in 1981. Once the

Plastic and Reconstructive Surgeons, the number of men seeking cosmetic correction has increased 35% in the past two years. They often cite professional image and job marketability as the reasons for smoothing creases or trimming jowls. Explains Dr. Melvyn Dinner, director of the Center for Plastic Surgery in Cleveland: "The 40-year-old who has lost his job is competing with a young hotshot. It's the competitive demand to look youthful."



province of aging screen stars and wealthy matrons, cosmetic surgery now attracts middle-class office workers, many in their 30s and 40s, and many of them men. Los Angeles Plastic Surgeon Richard Grossman describes the phenomenon as "another transition" for the restless Me generation: "They protested against the wars, and now they're protesting against the mirrors."

More often than not, today's face-lift clients are fitness buffs who view a little surgical correction as the finishing touch to their efforts at the health club. "These people are in great shape and aware of their diet, yet their faces look older because of sun exposure," observes Dr. Stephen Kurtin, a New York City dermatologist. Michael, 46, a lean Manhattan executive typifies the trend. Over the past six months he has undergone a grand-slam rehab: eye lift, face-lift and collagen shots to plump out his facial wrinkles. "I had a body by Michelangelo and face by Goya," he says. "No matter how much exercise I did, the face didn't respond."

According to the American Society of

Improving one's looks surgically has never been easier. A number of quick procedures can be done on an outpatient basis and require a short recovery period. Tops on the list, for women, is suction liposuction, an operation developed in France and introduced in the U.S. in 1982. Also called liposuction, it entails the insertion under the skin of a hollow, blunt-ended tube that is attached to a high-powered suction machine that vacuums out the fat. The procedure can take 30 minutes to three hours, depending on how many problem areas are worked on. Removal of saddlebag thighs runs about \$2,000; love handles, \$1,500; saggy jowls, \$1,300; and baggy knees, \$1,200. Observes Dr. Jack D. Norman, a Miami plastic surgeon: "Twenty years ago, it was the nose job. In the 1970s, it was silicone implants. Now the rage is liposuction."

An even newer trick, called liposifting, makes use of the fat removed by liposuction to build up other areas, such as filling out cheeks on the face or redefining a jawline. The inspiration for the idea came from patients, says Beverly Hills Plastic

Surgeon Ian Brown. "They kept coming in and moaning, 'Why can't you just take some from here and put it in there?'" he recalls. "Now we are doing just that." Steven Soll, 38, a Los Angeles financial planner, is looking forward to having fat suctioned from under his double chin and reinserted to strengthen his jawline. "I could go out and spend \$20,000 on a car to make myself feel better," he explains, "or I could spend \$3,000 to change something that has always bothered me." An older, simpler method to smooth the skin involves the injection of protein collagen into scars and wrinkles. This procedure usually requires several treatments plus an annual booster. Cost: \$750 to \$1,000.

Such readily available quick fixes for cosmetic problems have fostered a remarkably casual attitude toward plastic surgery. "I see it as a little investment in health, like owning an electric toothbrush," says Joyce Nesbit, 32, a Los Angeles psychologist who has enthusiastically undergone several procedures. But cosmetic repair has greater risks than a day at Elizabeth Arden. Collagen shots are painful; they can cause twelve to 18 hours of swelling and sometimes provoke allergic reactions. After liposuction, bruises and discomfort can last for weeks. Moreover, there are risks with any operation. Last March, Patsy Howell, 39, a Texas mother of two, died of a severe infection three days after undergoing liposuction. At least two other deaths from infections have been reported.

The best protection against disaster is choosing the right doctor. Despite an abundance of qualified plastic surgeons, the \$250 million-a-year industry has attracted numerous charlatans and quacks working in "chop shops." Doctors advise prospective patients to seek board-certified surgeons who have admitting privileges at reputable hospitals. Says Dr. Carl Korn, assistant professor of dermatology at the University of Southern California: "Choosing a surgeon is tricky, tricky, tricky. Walk into the office and look around at the others there who have had work done, and then only go in yourself if you like what you see."

Doctors debate whether or not public enthusiasm has gone too far. At Johns Hopkins, Dr. John Hoopes turned away a 23-year-old woman "who felt she would feel better if she had an eye lift." Hoopes estimates that he and his colleagues reject about 25% of those seeking cosmetic surgery, often because they are too young. But New York Plastic Surgeon Gerald Imber encourages preventive surgery for clients in their 30s and 40s. "The results are better when the raw materials are fresher." Indeed, so many eager candidates are intent on preserving their youthful looks that crow's-feet and turkey gullets may soon become endangered species.

—By Martha Smilgin.

Reported by Jewell Hull/New York and Nancy Seufert/Los Angeles

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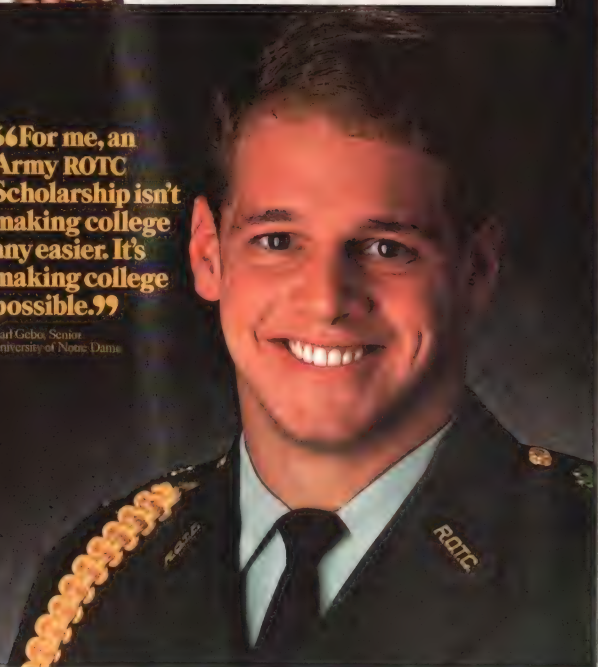
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People



Johnson: pushing the limits

Even before the crowd at the World Track and Field Championships heard the crack of the pistol, Canada's Ben Johnson, 25, had burst out of the starting line at Rome's Olympic Stadium 67 thousandths of a second faster than

his main rival, American Carl Lewis, 26. Stretching his lead from a quarter stride to a half stride in the first 30 meters, Johnson finished the 100-meter final in a stunning 9.83 seconds, a tenth of a second faster than the previous world record, set by Calvin Smith in 1983. "This record might last for 50 years," said Johnson after becoming the world's fastest human. "If anybody's going to break it, they're going to have to beat me, and my first 50 meters are awesome." Lewis, who tied his own best time of 9.93 seconds and later retained his title in the men's 200 meter, called Johnson's feat "unbelievably great." But Johnson's coach, Charlie Francis, thinks the Jamaican-born sprinter can break the 9.8-second barrier, once thought to be physically impossible. Francis may be on to something. A scant twelve minutes after Johnson's incredible run, Bulgaria's Stefka Kostadinova set a second world record by clearing 6 ft. 10 1/2 in. in the women's high jump.

French Premier Jacques Chirac leaves no tune unsung

in his popularity contest with his Socialist rival, President François Mitterrand. Chirac has even taken up the cause of *sacrébleu!*—Madonna. The conservative and the Material Girl crossed paths when Chirac's daughter Claude implored her father to intercede after the mayor of Sceaux, a Paris sub-

from 33% to 18.5%, making them more affordable. Calling Madonna a "great artist," the presidential candidate invited the singer to visit him and posed for photographers wearing blue jeans and listening to her records on a Walkman. "He looks like a '50s crooner," scoffed former Minister of Cul-



Pop politics: Madonna and Chirac sharing the spotlight in Paris

urb, threatened to cancel a scheduled Madonna concert. Papa, who is also mayor of Paris, not only didn't preach, he rescued the show and cut the value-added tax on records

ture Jack Lang, who last week slammed Chirac's newfound affinity for pop idols as an "indecent campaign." Meanwhile, during a concert for 110,000 fans that broke French

Saving La Dolce Venice

They came by Orient Express from Paris, by private jet from New York and by luxury yacht from the playground ports of the Mediterranean. Some—yawn—even drove down from the gaming salons of Monte Carlo or the concert halls of Salzburg. Prince and Princess Michael of Kent, Prince Amyn Aga Khan, Princess Ira von Furstenberg, Actor Michael York, Writers Erica Jong and Gore Vidal as well as assorted Vanderbilts, Peabodys, and Rothschilds were among the tanned and sleek vips who flocked to Venice last week and paid \$1,000 a head to be feted in



Magical charity tour: Author Vidal among the gondolas

the name of art and architecture. The three-day revel raised nearly \$500,000 for Save Venice Inc., the American committee founded in 1970 to preserve the threatened treasures of the city. The money will go toward restoration of the veined marble walls of Santa Maria Dei Miracoli, the Renaissance gem of a church that brides cherish as the site for a dream wedding. "The point wasn't just to have a ball," explained Real Estate Magnate and Save Venice Inc. President Laurence Lovett. "The idea was to get them here to do something for Venice." Noted Maxwell Rabb, U.S. Ambassador to Italy: "It shows the U.S. has not deserted Italy. Americans are no longer worried about terrorism. We have done the best thing by Venice—and by ourselves."

Venetians, who have been hosts to all sorts of celebrities throughout the ages, put out the red carpet for the new patrons. Local nobility opened their gilded palazzi for private cocktail parties. Even the Armenian Mekhitarist monks on the serene



The Kents in the Piazza San Marco

attendance records, Madonna greeted the crowd in French and gave the music-minded minister top billing. "Causing a commotion," she sighed. "That's how I felt when I went to see Jacques Chirac." *Mon Dieu!*

The cover story alone is a real howler: "The Party Animal: Bud Light's **Spuds MacKenzie**, 47 pounds of macho male, by Gay Taleash." *Canine Quarterly* is not the first publication to nip at the heels of fashion-conscious *Gentleman's Quarterly*, but it is probably the only one that sets out to catch the essence of the modern dog. Created by Main Street Press of Pittstown, N.J., the folks who brought us last year's *Dogme*, a four-legged parody of *Vogue*, *CQ* features such tail wagers as "Get Sirius! Hollywood's Top Dog Stars from Rin-Tin-Tin to Mike the Dog by Rona Bassel" and "Mush! From New York to Alaska," a story by "Bernard Malamute." Although the 96-page parody will not be available in stores until the end of the month (price: \$8.95), it has already drawn a response from *Gentleman's Quarterly*. Editor **Art Cooper** welcomed the competition, with one important reservation. "I would have been happier had I not found out



Back in the swing: Stallone cavorting with the cabaret cast at club Paradis Latin

something terrible about Spuds MacKenzie," said Cooper. "He is a girl." It seems there are some things even a dog can't bury.

His marriage to Danish Actress **Brigitte Nielsen** may be on the ropes, but **Sylvester Stallone** came out swinging in *Paris* last week at the cabaret Paradis Latin, where he was spotted with a flame, Ameri-

can Model **Kathy Davis**, 20. Before flying off to Israel to film *Rambo III*, a frisky Stallone jumped onstage to mug with the cast of the club's song-and-dance review and charmed the crowd with his rendition of *America the Beautiful*. Meanwhile, Nielsen, who happened to be in France as well last week, was not exactly moping either. In an interview with *Paris Match* she announced that she had just signed a

"fabulous contract" for an Italian TV show, is about to release her first album and will soon begin work on two new movies. One thing not on her agenda: a reconciliation. "First of all, he wouldn't beg me to come back, and if, by some unimaginable circumstance, he did, I wouldn't," Nielsen stated. "I've started a new life." That's one statement even Rocky won't fight. —By Guy D. Garcia

island of San Lazzaro joined in, providing an alfresco lunch in the garden of their monastery. Other attractions on the calendar included gondola rides, a fashion show by Designer **Miguel Cruz**, a recital by Soprano **Aprile Millo** and late-night entertainment by Pianist **Bobby Short**. Quipped Short: "This is my first time to save Venice, although we've all dropped enough money here in the past to save it several times over." Also in town was French Director **Louis Malle**, whose autobiographical film *Au Revoir, Les Enfants* (Goodbye, Children) drew a standing ovation at the Venice Film Festival. For those who liked to mix literature with their glitterati, there were guided tours by Authors Vidal and Jong, both of whom have published books about Venice. Vidal, whose family came from nearby Friuli, told his charges of his disappointment on discovering in the Venetian archives that the Vidals were not—as they boasted—descended from the ruling doges. Unfazed, he cracked, "I found in the phone book nine listings for Vidal soap." Jong let her listeners in on the local facts of life. "Socially, Venice is like a cruise ship," she said.



Director Malle at the Grand Canal

"It's the most gossipy city in the world."

There was no dearth of gossip during the closing gala at the 15th century Palazzo Pisani Moretta. As torches flared outside, diamonds and emeralds glittered in the candlelight from Murano chandeliers. The Kents and their friends dined under Tiepolo frescoes,

then boogied to the music of **Peter Duchin's** orchestra. **Ava McKenzie**, daughter of Fred Astaire, was among those listening to Short's supersave piano in the upstairs salon. Did the party live up to the revelers' expectations? International Banker **Roberto Polo** and his wife **Rosa**, who brought 60 pals to the bash and the final gala, thought they got their money's worth. Said Rosa: "Can you imagine if Venice disappeared?" **Guido Lorenzotti**, the former president of Olivetti U.S.A., offered a more philosophical evaluation. "In a world that is killing, shooting, dropping bombs, this is unique," he observed. "People can say they contributed to the cleaning of marble." And did it in a highly polished manner.

Reported by Cathy Booth/Venice



Writer Jong guiding her charges

Behavior

A Question of Black Pride

Studies show little improvement in black youths' self-image

It has long been an article of faith among psychologists and educators that black achievement in business, sports, politics and the arts would result in growing self-esteem among black children. That belief was challenged last week by two studies, reported at a meeting in New York City of the American Psychological Association, indicating that the poor self-image of black youngsters seems to have changed little over the past four decades. Concluded Kenneth B. Clark, professor emeritus of psychology at City University of New York, whose classic study of black children in 1947 first disclosed the depth of the problem: "There haven't been any significant changes in American racism. The rhetoric of racial pride didn't influence the children."

The new studies duplicated the groundbreaking investigations by Clark and his late wife Mamie, also a psychologist, into the development of racial identity among American black children. The Clarks asked 253 youngsters, ages 3 to 7, who attended schools in Springfield, Mass., and Little Rock to choose between four dolls, two black and two white. The startling result: two-thirds of the children preferred white dolls. So important were the findings that they were cited by the Supreme Court in its 1954 *Brown v. Board of Education* decision mandating school desegregation.

Two years ago Psychologist Darlene Powell-Hopson of Middletown, Conn., tested 155 black and white youngsters between the ages of three and six in Head-



Tough choices: Powell-Hopson, with friends

start programs or preschools in New York City, on Long Island and in Connecticut. Using 20 Cabbage Patch dolls identical except for color, Hopson asked the children to give her the doll that "you want to be, you want to play with, is a nice color and would take home if you could." To Hopson's surprise, 65% of the black youngsters selected white dolls.

Comments from some of the children

particularly disheartened Hopson. One boy, for example, insisted he was white, pointing to his palm. "Black is dirty," declared another. Still, says Hopson, her study does not show that black youngsters "are full of self-hatred or that they want to be white. It does mean that the message they're getting is that it's preferable to be another race."

In the second study Sharon Gopaul-McNicol, an educational consultant on Long Island, surveyed 144 black and white preschoolers in Trinidad. She found that 74% of blacks chose white dolls. Though the Caribbean island has a black government and many successful blacks in business, says McNicol, they apparently are not enough to overcome the legacy of white supremacy, passed on by 400 years of British rule, and the influence of North American and European television.

Extending the Clarks' work, both studies examined whether self-esteem could be bolstered. In a half-hour session after the test, Hopson praised youngsters who chose a black doll and had them recite, "This is a nice doll... We like these dolls the best." When the preference test was repeated, Hopson reported a dramatic reversal: two-thirds of the black children selected a black doll (as did two-thirds of the whites). Inexplicably, McNicol's subjects showed no such change of heart.

Some experts express reservations about the new research. Recent surveys of black elementary and high school children, they point out, show racial pride is improving. Still, says Benjamin Hooks, executive director of the N.A.A.C.P., "for those who are concerned about the future and progress, the studies remind us there is still a lot of work we have to do together."

By Anastasia Toufexis

Reported by D. Blake Hallinan/New York

Milestones

MARRIAGE REVEALED. Tom Selleck, 42, rugged heartthrob of TV's *Magnum, P.I.*; and Jillie Mack, 29, pert English actress (the London cast of *Cats*) and his girlfriend of four years; he for the second time, she for the first; on Aug. 7; in Incline Village, Nev.

PAROLE REVOKED. For Gary Dotson, 30, whose 25-to-50-year rape sentence was commuted in 1985 after his alleged victim, Cathleen Crowell Webb, recanted the charge for which he had then served six years; by the state prisoner-review board, after he was arrested on a battery charge of striking his wife Camille, in Chicago. Dotson must now serve at least nine months in prison.

RELEASED. Denny McLain, 43, former Cy Young Award-winning pitcher for the Detroit Tigers, who was convicted in 1985 on racketeering, extortion and drug

charges; after serving 2½ years; from the federal prison in Talladega, Ala. He was released on \$200,000 bond after a federal court ruled last month that he had been denied a fair trial.

DIED. Morton Feldman, 61, experimental composer, some of whose spare, often quiet works ran as long as 4½ hours; of pancreatic cancer; in Buffalo. Inspired by abstract-expressionist paintings, the Brooklyn-born Feldman was a forerunner of the minimalist movement and pioneered the use of hypnotic repetition to forge an ethereal, understated style.

DIED. Wade McCree, 67, articulate black federal-appeals-court judge from 1966 to 1977 and Solicitor General during the Carter Administration, who was best known for arguing before the Supreme Court in the reverse-discrimination Bakke case that schools could use race as

a factor in determining which students to admit; of bone-marrow cancer; in Detroit.

DIED. Dick Young, 69, syndicated sports columnist who was a Manhattan-born subway kid and wrote for the subway readers, attacking the failures of athletes and managers with vitriolic vigor during 50 years of covering mostly baseball and boxing; after abdominal surgery; in New York City. The feisty Young was long the admired dean of hard-charging baseball reporters, until recent years, when his choleric often turned to rasping intolerance.

DIED. Arthur R. Murphy Jr., 72, versatile magazine executive, a former Time Inc. vice president and publisher of *SPORTS ILLUSTRATED* from 1959 to 1965, president of the McCall Corp. (1965-67), publisher of *Qwest* magazine (1977-78) and a director of the Magazine Publishers Association; of a heart attack; in Jupiter, Fla.

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Education



Teachers from around the country in class this summer at Bread Loaf

"Great Human Power or Magic"

An innovative program sparks the writing of America's children

As school starts this fall in Tununak, a tiny Eskimo community on the windswept coast of Alaska, Teacher Ben Orr is planning to invite elderly storytellers into the classroom so his young students can learn and then write down traditional legends and lore of their vanishing culture. For Donna Maxim's third-graders in Boothbay, Me., writing will become a tool in science and social studies as students record observations, questions and reactions about what they discover each day. In Eagle Butte, S.D., Geri Gutwein has designed a writing project in which her ninth-grade students exchange letters with third-graders about stories they have read together. This year a few of her students will sit with Cheyenne women who tell tales as they knit together, their heritage becoming grist for today's young writers.

Although these teachers are separated by thousands of miles, their methods of trying to encourage children to write spring from a common source: the Bread Loaf School of English. There, near Vermont's Middlebury College, grade school and high school teachers give up part of their vacations each summer to spend six weeks brainstorming, studying and trading experiences as they try to devise new methods of getting their pupils to write. Says Dixie Goswami, a Clemson University English professor who heads Bread Loaf's program in writing: "We have nothing

against 'skill-and-drill' writing curricula, except they don't work." Instead, Bread Loaf graduates have quietly created one of the nation's most inventive programs to encourage student writers.

The Bread Loaf literature and writing program began in 1920 as a summer retreat where English teachers studied for advanced degrees. Until the late 1970s most were teachers from elite Eastern prep schools. Bread Loaf "was failing in its social responsibility," says Paul Cubeta, a Middlebury humanities professor who has directed the program since 1965. "So we went looking in rural America for potential educational leaders." Founda-

tion funds were raised to help defray the \$2,500 cost for tuition and board. Over the past ten years nearly 500 rural instructors have studied in the shadow of the distinctly flattened mountain that gives the school its name. This summer 73 came to Bread Loaf from small towns in 32 states.

Bread Loafers are convinced that children are inspired to write well when they have information to communicate. In Gilbert, S.C., for instance, students interviewed old-timers to discover what life in their small towns was like many decades ago. The students' narrative accounts, vividly describing everything from butter making to courtship and marriage, were published in a magazine they named *Sparkleberry*. This summer at Gilbert's Fourth of July Peach Festival, the homemade magazines sold like hot cobbles.

Many of the new ideas that teachers took away from Bread Loaf seemed in danger of withering back home, remembers Cubeta. "We needed to devise a way for them to go back with support for their projects and for each other." One result was an idea called BreadNet: by setting up a network of word processors, Bread Loaf-trained teachers could instantaneously connect their classrooms. Last year the project lifted off when a charitable trust donated \$1.5 million for that and other programs.

The new national hookup provided evidence for another Bread Loaf belief: children will write freshly when given a new audience. Students in the tiny ranching community of Wilsall, Mont., began writing to children in Pittsburgh about farm life in winter. "Cows aren't smart enough to paw through the snow like horses, so you have to feed them," one child explained. A Sioux student on a reservation in South Dakota wrote candidly about what is happening to one branch of the tribe: "Life for the Lakota people is going in a downward direction... To control it would take great human power or magic."

This fall 68 teachers in 33 states will be able to send their students' writing electronically into distant classrooms. Later in the year, the fourth edition of *Voices Across the Wires*, a student-edited collection of BreadNet writing, will be published. "Having real situations to write about has really changed their attitude," says Joanne Tulonen, whose Wilsall students were among the first to use BreadNet. "Before, their writing was artificial. Now they see themselves as people with information worth sharing."

—By Melissa Ludtke/Bread Loaf

Dress, Right, Dress

At three Baltimore public schools last week, there was something different in back-to-school wear: sameness. Most of the 1,600 students, ages 4 to 12, were sporting spiffy uniforms: for boys, navy blue slacks and dress shirts with ties, for girls navy blue jumpers and blouses. The \$30 uniforms—aimed at cooling peer appearance pressure—are not mandatory, but officials expect almost 100% compliance. The idea, long common only in private and Roman Catholic parochial schools, may even catch on.



The new Baltimore uniforms

This week a public school in Washington is following suit. Parents in the experimenting schools are behind the move. "All I have to do is buy two uniforms this year," reports a relieved Baltimore mother. "Last year I spent \$200 on clothes."

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Cinema



Skirmish before the massacre: striking miners fight blacks hired as scab labor

Life as a Bed of Coal

MATEWAN Directed and Written by John Sayles

These faces know hard times. They look sculpted from granite. They are sere with too much work, too little food and the knowledge that in 1920 in Matewan, W. Va., life is a bed of coal. Man and boy go into the mines and die; mother and wife wait for the sound of their men coming home, or for the fatal word that they won't. Life has pressed all hope out of these faces—to smile would be a crime against remorseless nature—though there is no free time for despair. The miners have been taught to accept their miserable lot and fear the company, which owns their houses and furniture and food, as they fear God. What would it

take for them to fight back? Maybe the quiet rhetoric of a union organizer.

"You ain't men to the coal company," Joe Kenehan (Chris Cooper) tells the miners, "you're equipment." He wants to make men of them, and he gets help from unlikely places. The police chief (David Strathairn) is not one to be pushed around. A black miner (James Earl Jones) and an Italian laborer (Joe Grifasi) are tired of scabbing for the company and ready to lead their men to revolt. Elma (Mary McDonnell), a young widow, will stand up against the goons who board at her home. And her 14-year-old son (Will Oldham), a prodigy preacher, will update

New Testament parables till Jesus sounds like Joe Hill. A ragtag army, but with the organizer's help they may actually win.

Matewan (rhymes with great one) proves, as *Return of the Secaucus 7* and *The Brother from Another Planet* did earlier, that John Sayles knows how to anchor a strong story—here, the real-life massacre that led to the West Virginia mine wars—in a fresh setting. He also knows how to make good-looking movies on the cheap. This period film, with a huge cast, cost only about \$4 million, a budget that was met under the supposed financial restrictions of a full union crew. And in the rich umbers of Haskell Wexler's cinematography, *Matewan* does look great.

But this is the artistry that conceals artlessness. Sayles is reluctant to juice up the drama; maybe he's above such Hollywood devices. Though he can locate the dread gracelessness of real carnage in the film's climactic gunfight, the rest of the movie is lumbering as well. He pits a few good men against corporate Evil, then stereotypes their sanctity. Joe may be attracted to Elma, but the pacifist in him would never show lust; he doesn't do widows. And by the time the noble blacks start harmonizing with the noble Italians, you may be ready to cheer for the villains.

This is where *Matewan* hits pay dirt. As a union Judas, Bob Gunton pours cautious reason into the miners' ears, then sets Joe up for a fall—a fine, taut, impulsive job. And Kevin Tighe plays a company enforcer with a tight smile who has seen all the evil in the world and caused more than his share of it. With his round, ruddy face, Tighe always seems on the verge of derisive laughter or flash-fisted rage; it's enjoyable guessing which fever will surface first. The rest of the movie is less entertaining, a righteous homily without the grits.

—By Richard Corliss

Terms of Endearment

I'VE HEARD THE MERMAIDS SINGING

Poor Polly. She's 31 going on 13, a gamine klutz working as a temp, famished for experiences that will match her soaring fantasies. She takes photographs and records herself on videotape; she is her own and only pal, admirer and shrink. Polly (Sheila McCarthy) needs to find a heroine—say, the supersoignée curator of an art gallery (Paule Baillargeon). Then she needs to feel betrayed by this designated goddess so she can finally locate her strengths.

This Canadian comedy



Gamine klutz: McCarthy

scans like a fairy tale for feminist preteens—*Ms. Nancy Drew*. Like Polly, Writer-Director Patricia Rozema works entirely too hard to be ingratiating; her picture is a desperate audition for *Endearment*. Falling in love with *Mermaids*, as many viewers will, is akin to feeding the homeless or adopting an orphan puppy: an act of humane surrender.

—R.C.

Teenage Turmoil

DIRTY DANCING

Until they invented the counterculture, teenagers of the early '60s like Baby Houseman (Jennifer Grey) had to make do with just culture. So she gets three weeks with her family at a resort in the Catskills. Bo-o-o-ring! Baby's only hope is that Johnny (Patrick Swayze), the lower-class hunk who teaches dancing, may notice her. In a picture that never makes a move the audience has not anticipated two scenes back, wish soon becomes reality. Johnny initiates Baby first into his erotically charged (if anachronistic) dance



Good rush: Grey and Swayze

style, then into the joys of sex. Grey and Swayze are an attractive couple, and there is a good rush to Director Emile Ardolino's staging of the dance sequences. If the ending of Eleanor Bergstein's script is too neat and inspirational, the rough energy of the film's song and dance does carry one along, past the whispered doubts of better judgment.

—By Richard Schickel

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Books

The Speaker Speaks His Mind

MAN OF THE HOUSE by Tip O'Neill with William Novak
Random House; 387 pages; \$19.95

Some political memoirs provide detailed inside accounts of major events, usually in ways that defend the author's historic role and wisdom. Others are more philosophical, reflecting on the lessons of a lifetime's dalliance with history. And then there are those that are amiable siftings through memory's scrapbook, in which the author recounts tales about people and places as if he were holding court over a few beers.

In *Man of the House*, Tip O'Neill takes the last approach, figuratively pulling up a chair at Barry's Corner, his old hangout in Cambridge, Mass., and regaling the reader with a string of let-me-tell-you-about-the-time anecdotes. Already some of the book's barbed comments have provoked a flurry of attention and virtually guaranteed that it will be a commercial success. But the book is more than just a settling of old scores. It adds up to a stout defense of two now tarnished notions that O'Neill came to epitomize: the New Deal liberal ideal that government's duty is to look out for the little guy, and the virtue of old-fashioned back-room politics.

O'Neill nurtured those values and that style from his first campaign for the Cambridge City Council in 1934 until his retirement as Speaker of the House 52 years later. He had two favorite maxims: "All politics is local," and the main issue for Democrats must always be "work and wages." By sticking to those guns, he became the living embodiment of the Democratic Congress and, even to many of his foes, a lovable crusader for populist and compassionate values.

O'Neill's world was one where loyalty to friends and constituent needs was paramount. Of James Michael Curley, whose tolerance of bribery led to his serving as Boston's mayor from a prison cell, O'Neill proclaims, "Whatever you could say about his methods, his heart was always in the right place. One winter he called up Filene's, a major department store, and said to the owner, 'I need 5,000 sweaters this afternoon. And by the way, it's time to reassess your property.' Curley got the sweaters, which went to the poor people of Boston."

O'Neill expresses grudging admiration for old Joe Kennedy, whom he describes handing out

cash-filled briefcases to politicians who would do his bidding and keeping a careful watch on the progress of his sons. "The old man even had a maid in Jack's Washington house who reported to him," O'Neill says. President Kennedy is portrayed as the kindest member of that clan, willing to meet with a friend of O'Neill's who wanted to bid on a large construction job overseas even though the

Excerpt

“There's no getting around the fact that Reagan has been a rich man's President. He has shown no care or compassion for the poor, or for the working person. But when it comes to giving money to the Pentagon or tax breaks to the wealthy, the guy has a heart of gold.”

It comes down to one word—fairness. The President's program wasn't fair. It made the rich richer and the poor poorer, and it did nothing for the middle class. On the contrary: it took from the truly needy and gave to the truly greedy.”



man had not been an early Kennedy supporter. But Robert Kennedy is depicted as ungracious and ruthless. "To me, he was a self-important upstart and a know-it-all. To him, I was simply a street-corner pol."

Richard Nixon is called to account not only for Watergate but also for being a bad poker player: "Any guy who hollers over a \$40 pot has no business being President." Nixon is portrayed, above all, as a man of unhinged crudity. O'Neill tells of sitting with Congressman Peter Rodino during the impeachment hearings and listening to a White House tape that enraged the Judiciary Committee chairman. Writes O'Neill: "The President was talking to John Ehrlichman about the Italians. They're not like us," said Nixon. "They smell different, they look different, they act different. The trouble is, you can't find one that's honest."

O'Neill reports that Rodino, determined that his committee consider Nixon's case strictly on its merits, arranged to keep the tape from being made public. (Rodino confirms the story.)

The President who baffled him most was Reagan. It began with their first official meeting, a courtesy call on the Speaker by the President-elect. When Reagan commented on O'Neill's huge oak desk, the Speaker said it had once belonged to Grover Cleveland. Replied Reagan: "You know, I once played Grover Cleveland in the movies." O'Neill had to correct him: "No, Mr. President. You're thinking of Grover Cleveland Alexander, the ball player." Reagan's tendency to see every problem in the most limited personal terms infuriated O'Neill. In arguing against some Social Security cuts, O'Neill described the plight of a girl who would be losing her college benefits. Reagan called in an aide and said, "Let's see if we can take care of this girl." O'Neill jumped in. "I'm not here to talk about one girl. I'm using her as an example." Writes O'Neill: "I still don't think he understands the point."

All of this makes for easygoing reading, indeed a bit too easygoing. Many of O'Neill's rambling recollections would carry more weight if they contained a few firmer facts. And for all its street-corner savvy, the book is short on lasting wisdom about ways to cure Congress's chronic inability to pursue O'Neill's ideals without lapsing into fiscal irresponsibility. Yet by capturing the inside feel of the political rough-and-tumble, O'Neill has succeeded in conveying the excitement of a career based on an abiding faith in what Government can accomplish.

—By Walter Isaacson

Books

Ends and Means

OUTLAWS

by George V. Higgins
Henry Holt; 360 pages; \$18.95

Much has been made of George Higgins' gift of gab and nose for original sin. Much should be made. Since *The Friends of Eddie Coyle* (1972), the lawyer-novelist has proved beyond a shadow of a doubt that he is more than a prolific genre writer about Boston's hoods and cops. His 13 novels have moved steadily beyond a cynical cop's-eye view toward a harsh realism that is informed by experience, reflection and cauterizing wit.

Outlaws is about the evils that men and women do in the name of ideology, patriotism and self-interest. It is also about character as asserted through language. The average tough-guy writer usually relies on a single voice to convey a mannered and often sappy stoicism. Higgins can call up a variety of convincing tones and attitudes that give texture and complexity to his narrative.

At his best, as in *Outlaws*, he drives the story with dialogue. His new cast is large but not cumbersome. Sixties radicals, raffish police, a showstopping judge, foxy lawyers, willing victims, conniving matrons, and a computer that tracks a baseball trading game and sniffs out international fugitives—all fill a generous time frame.

The action starts in 1970 when heavily armed urban guerrillas rob a Brink's armored truck at a Massachusetts shopping mall. Two years later the merry band empties a Wells Fargo van in the same general area. "We're not dealing here with a group of retards, my friends," says Inspector John D. Richards of the state police. "These are sharp minds we've got on our hands, making these withdrawals."

Especially that of Samuel Tibbetts, summa cum laude from Stanford with extracurricular honors in Marxism. Tibbetts is a study in sociopathology, a graphic mug shot of the intellectual as free radical: corrosive, amoral, tyrannical and remorseless. He is not above ordering the deaths of colleagues he feels do not toe his party line. Tibbetts and his followers are eventually captured in 1978 and brought to trial in Boston for murder.

The judicial scenes benefit greatly from Higgins' experience as a lawyer and former U.S. Attorney. He avoids the clichés of courtroom drama to focus on the presiding judge and, through him, the vitality of the legal system. Judge Howard



Higgins



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Books

("Black") Bart is no abstract idealist: with blunt example and sarcasm he repeatedly makes the point that separating the form from the substance of the law is dangerous to the health of the Republic.

Others in Higgins' liberally plotted plot are not so fastidious about rules and regulations. Tibbetts' co-defendants get long prison sentences, but the mastermind is found innocent by reason of insanity. A few years in a state hospital and he is once again stirring up trouble and profits as an arms dealer hiding in Morocco. By this time his former lover is the mistress of his former prosecutor.

There are other complications about bloodlines, old-boy and old-girl networks, the FBI and a touring orchestra backed by the CIA. All end in moral muddles that dramatically underscore the dilemma of ends and means. Higgins is no prude; he understands that evil can be a matter of degree, and he can live with the camel's nose in the tent. But in *Outlaws* he worries about the beast that decides to enter broadside.

—By R.Z. Sheppard

Regressions

FIRST LIGHT

by Charles Baxter

Viking; 286 pages; \$17.95

Hugh Welch is a Buick salesman in the small Michigan town where he was born and raised. One Fourth of July he, his wife and two small daughters have visitors: Hugh's younger sister Dorsey, an astrophysicist, arrives with her young son Noah, who is deaf, and her husband Simon, an actor. The day is hot. Hugh and Dorsey buy fireworks from a woman who remembers them both as children. Supper is served. The pyrotechnics go off without a hitch. Dorsey explains why Noah likes the cherry bombs: "He can feel their shock waves with his skin. It's as close as he ever gets to hearing." Late that night brother and sister have a desultory chat in Hugh's darkened house. Outside, clouds and sheet lightning raise the possibility of rain tomorrow.

If that storm arrives, readers of *First Light* will never hear of it. For the quiet, almost humdrum opening chapter of this first novel is also, in a traditional sense, the conclusion of the tale. Charles Baxter, 40, the author of two fine collections of short stories, has not only come across an interesting idea for an experimental narrative but has managed to translate it into convincing fiction. The book's epigraph, from Kierkegaard, provides the key: "Life can only be understood backwards; but it must be lived forwards."

What this means, in Baxter's practice, is that each succeeding chapter of *First Light* is a regression in time. Hence the Fourth of July celebration is followed by the drive that Dorsey, Noah and Simon make to get to Michigan from Buffalo, where Dorsey teaches, and by Hugh's ner-



Amaretto di Janowitz

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Books

vousness before they arrive. What to say to his brilliant sister? How well has he lived up to his father's injunction "to watch after her, to take care of her"?

She, after all, with her Ph.D. and abstract scholarly work, seems to have done much better than he has. Dorsey's accomplishments are then recapitulated. First there is graduate school and the brief affair with her dissertation director that produces her son. Then back to high school, where Dorsey gives the valedictory speech at her graduation. Before long she is a growing girl, fascinated by stars and the mechanics of household objects. In the novel's last chapter, Hugh, age five, is escorted by his father into a hospital room to see his newborn baby sister.

Reading a story end to beginning can be a vertiginous and sometimes irritating experience. Normal expectations that characters will become more understandable as they forge ahead into an unknown future are thwarted. Simon, for example, raises questions with his behavior in the first chapter. How long can this elfin man stay married to his serious, intense wife? Will he succeed as an actor? Answers are not forthcoming. Simon disappears from the book at the point where he enters Dorsey's life.

Yet Baxter's methods are ultimately less frustrating than beguiling. In re-winding his story, the author provides a fascinating illusion of consolidation. Hugh and Dorsey do not grow apart; they are put together again, reknit into their shared heritage of parents and the past. Life does not happen that way, of course, but *First Light* never seems implausible. Instead, the novel moves over everyday details with the inexorable, contrary tug of memory. —By Paul Gray



Baxter

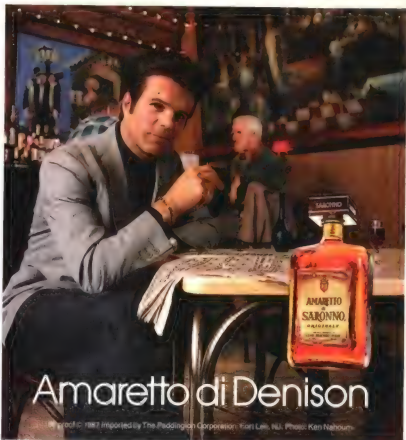
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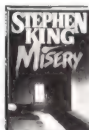
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Music

The Badder They Come

Michael Jackson busts out with his first album since *Thriller*

There is just no getting away from *Bad*.

Even before its official release date on Aug. 31, there were plentiful rumors and heavyweight expectations about Michael Jackson's first solo record in five years. Among other things, the new album had to meet and match his 1982 *Thriller*, which sold an unprecedented 38.5 million copies around the world and made him into a pop-culture phenomenon, part dancing phantom and part homeboy Kewpie. *Bad*'s first single, a bonbon called *I Just Can't Stop Loving You*, was a perfect love ballad for parlous times: sexy but hygienic, passionate but never lustful. Radio programmers grumbled at Epic's choice of a low-profile make-out tune for the album's first single. None of this got in the way of the song, however: it is now No. 2 on the *Billboard* chart.

Bad, which contains nine other tunes besides *I Just Can't Stop Loving You* (or ten, counting a bonus tune on the CD), further compounds the confusion. Like some finetuned racing car, it kicks up a lot of its own dust. The album's first video, a stinging 16-minute dramatic vamp on the title tune directed by Martin Scorsese, premiered in prime time on CBS last week and grabbed a 30 share. Set in a New York City subway station, it was in part inspired by the life of Edmund Perry, a gifted black graduate of Phillips Exeter Academy whose violent death revealed a troubled double existence. Folks who found the *Bad* video too tough may be soothed by next year's *Smooth Criminal*. This multimillion-dollar minifilm has slam-bang special effects supervised by Colin Chilvers, who worked on the first three *Superman* films.

During all this blitz, Jackson was in heavy rehearsal for what is expected to be a yearlong concert tour, beginning in Tokyo on Sept. 12: it is his first show since his 1984 tour with his brothers. A triumph seems assured: the box office was cleaned out in 7½ hours, and \$45 seats were soon on the black market for \$775. After years of antic hibernation, Michael Jackson, now 29, is again ready for the world. Is the world ready for Michael Jackson? It has no choice.

Not initially, anyhow. The record business is primed for another monster hit. The great pop-culture dream machine needs the kind of lube job only an icon

like Jackson can deliver. With advance orders of 2 million, there will be a lot of *Bad* around, and it is useless to resist.

What is there to be heard is a state-of-the-art dance record. Jackson's lyrics combine sometimes glancing felicity ("Your talk is cheap/ You're not a man/ You're throwin' stones/ To hide your



Ready for the world again: Jackson flying on the *Bad* video

Vocal stunts as nimble and fanciful as any of his dance steps.

hands") with scat-style facility. There is a great singer at work here, doing vocal stunts on tracks like *Dirty Diana* or *Speed Demon* that are as nimble and fanciful as any of his dance steps. *Man in the Mirror*, a ballad of confession and resolution, is more than just a vocal turn. It is a remarkable dramatic performance—intense, direct and unadorned, one of the best things Jackson has ever done.

But Jackson the singer can get bushwhacked by Jackson the persona, who is a dangerous highwayman. *The Man in the Mirror* most people will see is not the conscience-racked singer ("I'm starting with the man in the mirror/ I'm asking him to change his ways... If you wanna make the world a better place/ Take a look at yourself, and then make a change") but the Captain EO of theme-park fantasies or the peepaboo celebrity, recumbent in his isolation tank or cornered by paparazzi flashes, wearing his Elephant Man surgical mask and upping his bid for the remains of John Merrick.

Around *Thriller*'s time, Jackson's weirdness was startling, peripheral, piquant. On *Bad*, lavishly produced by Quincy Jones and Jackson, it has become consuming. *Thriller*'s songs were not strange in themselves. It was the presentation—all those baroque, biting videos—that gave them their eerie afterglow. *Bad* goes a whole step further. Now it's the songs that are crazy. Separately, they are innocuous enough, sentimental or feisty or scary as the mood demands. But together they form a pattern of jagged lines and long shadows that is troubling.

The material follows *Thriller*'s golden trail. There is a *Billie Jean* equivalent (*Dirty Diana*) about a trashy romance. There are the ballads, deep as wall-to-wall pile, and there is the violent showpiece *Smooth Criminal*. The title track is *Beat It* redux, a spectacularly snazzy, hang-tough tune that warns against macho excess. What the *Thriller* cut played for laughs, however, *Smooth Criminal* takes straight: an evocation of bloody assault, possible rape and likely murder. At any time, it would sound like a creepy song. At the end of the album, it has the effect of casting out all the optimism and willful idealism of *Bad* and *Man in the Mirror* and shrouding the record in a spooky, spiritual darkness. The piece is powerful, all right, but not perhaps in the way Jackson intended. It overpowers the joy of the playful competitiveness in his duet with peerless Stevie Wonder (*Just Good Friends*). It leaves the cosmic sentimentality of *Another Part of Me* well enough—if E.T. had come to earth as a crooner, this would have been his *My Way*—but does so with bile and fear.

Perhaps that was Jackson's goal, but the title of the last cut (available only on CD) indicates that he will not be taking questions on the subject. *Leave Me Alone* suggests he is turning away from everything, back again to the desperate comforts of his own impermeable world of fantasy. It is not a fond farewell. "It's the choice that we make. And this choice you will take/ Who's laughin' baby." The credits for *Smooth Criminal* read in part "Michael Jackson's heartbeat recording by Dr. Eric Chevin digitally processed on the Synclavier." The sound of Jackson's heart may have found its way onto *Bad*, but what's inside it is unrevealed. Only one thing is certain: there is no peace there.

—By Jay Cocks



Theater



As dazzlingly restaged by its creator, Bob Fosse, the traveling *Sweet Charity* zips along with style, assurance and real heart

HELMUT WITTE

How Does Broadway Play in Peoria?

For pizzazz, many road shows match the originals—or outdo them

The 37 theaters that constitute Broadway occupy a few acres in midtown Manhattan. But to much of America, a Broadway show is something to be seen hundreds, even thousands of miles from Times Square—in Atlanta or Dallas, Phoenix or Detroit or any other of the dozens of cities that make up what suitcase-toting actors wearily call “the road.” Like the Shakespearean troupe in *Kiss Me, Kate* who “open in Venice” and schlepp their show from town to town, ensembles representing recent Broadway hits take to the byways every year. This summer at least a dozen tours have offered purportedly the same entertainments as those on the Great White Way. But are they really? The idea that what you see in Peoria might be every bit as good as Broadway makes many New York theater professionals scoff. In the not too distant past there was ample basis for derision. On this summer’s evidence, however, the doubters may be narrow-minded and wrong.

Producers put shows out on the road for three basic reasons: to prepare for Broadway; to capitalize on a Broadway success already attained; and occasionally, when a show’s concept and stars are more marketable than its actual merits, to bypass Broadway’s fierce competition and legion of reviewers. Steep staging costs have made offerings in the first category, known as tryouts, a vanishing breed. Nowadays pre-Broadway tryouts are usually limited to one city, unless a show has

a big-name cast or is a revival of a fondly remembered musical, like the current tours of *Cabaret* and *West Side Story*. Sometimes what is labeled a tryout turns into a bypass of Broadway, as happened with a just closed revival of *A Funny Thing Happened on the Way to the Forum*, starring Mickey Rooney, and with the Carol Channing-Mary Martin vehicle *Legends!*, which ran a year to box-office triumph but abysmal reviews, then closed

in January after its stars said they had no desire to bring it to the Main Stem.

The essence of the road show, however, is a touring version of a work that is already firmly established on Broadway or that recently closed. Almost all tours are of musicals, although the comedies *I’m Not Rappaport* and *Social Security* played across the nation into the summer. For audiences, the crucial but often unsearchable question is how a touring version measures up to its Broadway forerunner. Based on a sampling of half a dozen offerings, including two versions of *Cats*, the verdict is mostly favorable. Sets may be simpler, lighting more rudimentary, and the miked-up sound systems uniformly lousy. The more a show was shaped to fit a particular space and circumstances, the clumsier it looks shoehorned—or stretched—into a new configuration each week. But when it comes to performance pizzazz, even second-string unknowns compete effectively with first-run counterparts—and sometimes outdo them.

The best of the shows now on tour is also the best in its Broadway incarnation: *Big River* combines Mark Twain’s exuberant celebration of the open road with Composer-Lyricist Roger Miller’s wistful echo of frontier freedom. The book derives from *The Adventures of Huckleberry Finn*. The score mixes bluegrass, gospel, Tin Pan Alley and a twangy tang of Nashville. Like the novel, the show comes alive when Huck and his friend Jim, a runaway slave,

Merman-size: Manchester in *Song & Dance*



get out onto the Mississippi. The moment when they break into an up-tempo hymn to that *Muddy Water*—and a backdrop lifts to reveal the signature image, a painting of a plank walk that merges into a river twisting away beyond the horizon—remains thrilling on even an umpteenth viewing. As Jim, Michael Edward-Stevens has as glorious a voice and as hard-won a self-awareness as any of his three predecessors in the role. Roman Fruge looks a bit old to play a boy of Huck's pubescent innocence, and some of his acting is a bit cute, but no one else has been as good in delivering Huck's introspective songs of self-definition, *I, Huckleberry, Me* and *Waitin' for the Light to Shine*. Among the supporting players, Walker Joyce as a scalawag can man malevolently outperforms his antecedents. Even more impressive than these performances, however, is the production's fidelity, as unflinching and unsettling as the Broadway original's, to Twain's harrowing evocation of slavery, ignorance and lawlessness in the often idealized frontier times.

In *My One and Only* the chief pleasures are precisely the same as those that won Tony awards in 1983: Tommy Tune as the aviator who gives up everything for his girl and Charles ("Honi") Coles, 76, as the sage elder who teaches him to pitch woo, crack wise and tap-dance. As the love interest originally played by Twiggy, however, Stephanie Zimbalist (of TV's *Remington Steele*) sings indifferently, dances with studied intentness rather than carefree abandon and employs an English accent that leaps from Brighton to Kansas.

Pop Singer Melissa Manchester has less trouble with the accent and none with the melodies in *Song & Dance*. Her German-size voice enhances rather than flattens the tricky satiric lyrics. But her portrayal of a young English hat designer on the make in Manhattan suffers badly by comparison with Bernadette Peters' fetch-



Tasting freedom: Edward-Stevens and Fruge in *Big River*

ing portrayal on Broadway. Manchester, 36, looks too worldly to be as dippy-innocent as the first scenes require. The part calls for her to be onstage solo for the first half of the show but to create the illusion that other people are there with her—a trick for which Manchester, in her stage-acting debut, lacks the technique. She appears only briefly during the second act's wordless choreography. Anyone who saw the Broadway opening might be taken aback by the considerably coarser final 20 minutes, in which the cast puts on a vulgarized dancing display while shouting out amateurish greetings like "Hello, Atlanta!" Although the producers insist the differences in staging are small, what was a brief sentimental encounter between the separated lovers now feels bathetic.

With *42nd Street* the failing is plainer. Except for David Brummel as the veteran musical-comedy director and Linda Griffin as the snappy chorine Anytime Annie, nobody in the company can act. The book has always been silly and illogical, and requires high style to bring off its camp excesses. Most at sea is Gina Trano as the kid from the chorus who replaces the injured star. Although she manages a lovely awakening into competence during the course of the musical-within-a-musical, there is nothing special about her in the earlier scenes to justify everyone's much voiced confidence in her talent.

The most popular Broadway show on the road is *Cats*, which through its three companies has been accounting for about half of current touring-troupe revenues. The two productions viewed deliver at least the raucous pleasures of the original. The version that has been playing in Washington since July has more elaborate lighting and staging effects than one of those that are moving from city to city

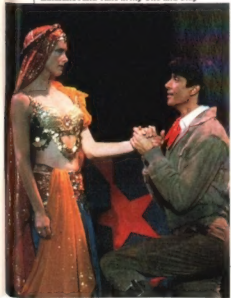
every week or two, but the differences are minor. The celebrated cat-like movements look more Vegas-like now. In both casts, only the dancers playing the secondary role of Alonzo (Ken Nagy in Washington, Stephen Moore touring) achieve the cool detachment of another species. The singing, although always vibrant, is uneven. In the peripatetic cast Andy Spangler glows as the Elvis-like Rum Tum Tugger and Leslie Ellis is haunting as Grizabella, the faded glamour cat, but in the Washington troupe the performers in those roles, Douglas Graham and Janene Lovullo, do not measure up.

One gutsy production radically improves on its Broadway model: the 1966 and 1986 hit *Sweet Charity*, dazzlingly restaged for a North American tour by its original creator and re-creator, Bob Fosse. From the first appearance in silhouette of the title character, a taxi dancer who in the face of all experience remains a fool for love, to the ironically identical finale, this version zips along with style, assurance and the ingredient it lacked in its 1986 Broadway reprise, real heart. Whereas Debbie Allen

seemed too tough, too much a survivor to elicit audience sympathy when she played Charity on Broadway, the road show's Donna McKechnie—the original Cassie in *A Chorus Line*—manages to be forever vulnerable without seeming stupid. As the buttoned-down businessman who takes up with her, says he can forgive her slightly checkered past and then finds he cannot, Ken Land is more likable and believable than his Broadway counterpart. As a result, what is virtually an identical show plays louder, faster and funnier—to cite Centenarian Director George Abbott's hallowed instructions to performers—and also seems more true. It is as bubbly and brisk and bittersweet as Broadway, at home or on the road, is always supposed to be.

—By William A. Henry III

Zimbalist and Tune in *My One and Only*



Ethics

At Issue: Freedom for the Irrational

Should the helpless mentally ill be hospitalized against their will?

Ed Koch, New York City's voluble mayor, recently recounted how he had toured Manhattan in the company of some mental health experts. Concerned about the mentally ill who live on the streets, Hizzoner had decided to do some sidewalk research. On the tony Upper East Side, the group encountered a bedraggled, incoherent woman lying in the street, having thoroughly soiled herself. The woman could not be forcibly committed to a mental health institution, said the experts, because she did not present an "imminent danger." Koch was stunned, and

deed, is it not morally required—to come to the aid of people who are suffering, no matter their resistance?

These questions arise after nearly 30 years of what has come to be called deinstitutionalization. In the mid-1950s the widespread use and effectiveness of the antipsychotic drug Thorazine allowed the denizens of "insane asylums" to be treated outside the hospital where, all agreed, they were better off. The policy satisfied the civil-libertarian instincts of mental health advocates, while conservatives counted up the tax dollars saved. But an

don't think that's what civil liberties are about, to live like that, to be free to be mentally ill." The problem has some social workers sounding like police who complain about criminal rights. "We are tired of being handcuffed by these issues," says Jackie Edens, who spent 8½ years as a Chicago crisis-intervention worker.

Robert Levy, an attorney who follows mental health issues for the New York Civil Liberties Union, is concerned that the new Koch plan could be used "to rid society of people who are unpleasant to look at." City officials reply that anyone picked up must be diagnosed on the street by "mobile psychiatric teams," then must be readjusted twice in the hospital within two days; the patient, who can only be kept for a maximum of 30 days, has the right to a free lawyer and a court hearing



Precarious peace outside St. Patrick's Cathedral in Manhattan: perplexing questions about how much deviation society ought to tolerate

recalled thinking. "You're loony yourself."

A normal, common-sense reaction, certainly, but one with uncertain and morally perplexing consequences. Koch has just announced that on Oct. 1 the city will begin the involuntary institutionalization of the homeless mentally ill who are incapable of caring for themselves. The new "self-neglect" rule, as one city official calls it, will loosen the current requirement that the potential patient be an immediate danger to himself or others. This tough standard is common around the U.S. To be accepted in crowded mental health facilities nowadays, says Jill Halverson, a Los Angeles activist, "a homeless person has to be either killing himself in front of the admitting doctor or trying to kill the admitting doctor."

Koch's plan reflects a needed sense of realism, in the view of conservatives as well as many liberals. In more than a dozen states, officials have been inching in a similar direction. But in a country that speaks in the same breath of the right to liberty and the right to life, this new approach raises old, complicated questions. How much deviation in behavior ought a free society tolerate? Is it rational to enshrine the liberty of those so irrational they cannot understand the nature of their rights? Is it not more humane—in

optimistically promised second stage of deinstitutionalization was not so easy to deliver; follow-up care in the community frequently failed to materialize. The number of mental patients in U.S. institutions did shrink, though, from a peak of 560,000 in 1955 to some 146,000 in 1984. In New York, the number declined from 93,000 in 1955 to about 20,000 today. One-fifth to one-third of America's homeless are now considered mentally ill.

Deinstitutionalization fit perfectly into the antiauthoritarian zeitgeist of the '60s and early '70s. Radical Psychiatrist R.D. Laing popularized the rather romantic notion that insanity could be a sane reaction to an insane world, while Sociologist Erving Goffman suggested that institutions, by their very nature, stifled individual development. Courts began to protect the rights of the mentally ill against the encroachments of the state. But in the 1980s, the continual seesaw in America between individual freedom and society's responsibility is tipping again.

"Things have swung too far," says Merna McMillan, director of health care and mental health services in Santa Barbara County, Calif., who backed Santa Barbara's decision last year to allow the homeless to sleep in some public places. "I

within five days. Even assuming such safeguards would help, Levy and other homeless advocates see a continuation of the "illusion of care"—civic cosmetics as phony as the fake Cartier watches hawked on Manhattan street corners. "We have these academic debates about the propriety of forced treatment and commitment of people," says Robert Hayes of the National Coalition for the Homeless, "but they mean nothing. The real issue is that there are no beds and no dollars. The problem is not an abundance of civil liberties for the homeless; it is a scarcity of beds."

Once invisibly warehoused, now side-stepped on sidewalks, the mentally ill are defenseless prey to the pendulum's swing. Says the Rev. Alice Callaghan, who for 15 years has run homeless centers in Los Angeles: "We've just been ricocheting between unacceptable answers." The better way, she and most experts believe, is smaller group homes with government-backed support. But communities, as well as the federal and state governments, have to be willing to accept such homes, and pay the bill. "That," argues Kevin Limbeck, executive director of Chicago's Coalition for the Homeless, "is the real ethical solution."

—By Richard Stengel.
Reported by Wayne Sweboda/New York.

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CASE CLOSED.

5 mg.

3 mg.

NOW IS LOWEST

By U.S. Gov't. testing method.

Competitive tar level reflects the Jan. '85 FTC Report.

BOX: Less than 0.5 mg. "tar," less than 0.05 mg. nicotine, SOFT PACK FILTER, MENTHOL: 1 mg. "tar," 0.1 mg. nicotine, av. per cigarette, FTC Report JAN. '85; BOX 100s: Less than 0.5 mg. "tar," less than 0.05 mg. nicotine, SOFT PACK 100s FILTER, MENTHOL: 3 mg. "tar," 0.3 mg. nicotine, av. per cigarette by FTC method.

SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.